

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on : 28.03.2016

Delivered on : 03.06.2016

CORAM:

THE HON'BLE MR. JUSTICE M.SATHYANARAYANAN

C.S.No.985 of 2009

Sun Pharmaceuticals Industries Limited
 CD Plot No.3, Door No.8,
 Old Tower Block Street,
 Nandanam Extension,
 Chennai-600 035.
 Rep by its Constituted Attorney,
 Mr.K.V.V.S.S.V. Prasad Rao

.. Plaintiff

Vs.

1.Cadila Healthcare Ltd.,
 Zydus Tower,
 Opp. to ISKCON Temple,
 Satellite Cross Roads,
 Ahmedabad-380015.

2.Zydus Healthcare,
 N.H.No.31A, Majhitar,
 Rangpo, East Sikkim 737 132.

.. Defendants

Prayer : Civil Suit filed under Order IV Rule 1 of Original Side Rules and Order VII Rule 1 CPC read with Sections 27, 28, 29, 134 and 135 of the Trade Marks Act, 1999 praying a judgment and decree for:

(a) A permanent injunction restraining the Defendants, their distributors, stockists, servants, agents, retailers, legal representatives or any other person claiming under them from in any manner manufacturing, selling, offering for sale, stocking, advertising directly or indirectly dealing in medicinal and pharmaceutical preparations infringing plaintiff's registered

trademark VENIZ by use of deceptively similar trademark VENZ or any mark deceptively similar to plaintiff's registered trademark VENIZ or in any other manner whatsoever.

(b) A permanent injunction restraining the defendant's, their distributors, stockists, servants, agents, retailers, legal representatives or any other person claiming under them from in any manner manufacturing, selling, offering for their stocking, advertising directly or indirectly dealing in medicinal and pharmaceutical preparations under the trademark VENZ or any other trademark containing identical and/or deceptively similar trademark as that of the plaintiff's trademark VENIZ and/or use similar packaging as that of the plaintiff's products under the marks VENIZ so as to pass off the defendant's preparations as and for the preparations of the plaintiff and/or in any other manner whatsoever connected with the plaintiff.

(c) the Defendant be ordered to pay to the plaintiff a sum of Rs.10,05,000/- as liquidated damages for committing acts of infringement against plaintiff's registered trademark so as to pass off their products as and for the plaintiff's products;

(d) the Defendants be ordered and decreed to deliver up for destruction to the plaintiff all the preparations, dies, blocks, labels, packaging either filled or empty, brochures, leaflets,

pamphlets, hand bills, hoardings, wall posters, calendars, carry bags, stationery items and such other sales promotional materials bearing and/or containing the impugned trademark VENZ.

(e) A preliminary decree be passed in favour of the plaintiff directing the defendant to render accounts of profits made by them by use of the trademark VENZ which is identical and/or deceptively similar and a final decree be passed in favour of the plaintiff for the amount of profits found to have been made by the defendants after the latter has rendered accounts;

(f) For costs of the entire proceedings, and;

(g) pass such further or other orders as this Court may deem fit and proper in the circumstances of the case.

For Plaintiff : Mr.Arun C.Mohan
for Mrs.Brinda Mohan

For Defendants : Mrs.Gladys Daniel

J U D G M E N T

The averments in the plaint are as follows:

1.1. The plaintiff is carrying on business as manufacturer of medicinal preparation for human consumption and claims that it enjoys a very high reputation for its medicinal preparations on account of excellent quality and efficacy and its preparations are sold extensively all over

the country on an extensive scale. The plaintiff would state that it is a No.1 company in India in specialty therapy areas like psychiatry, neurology, cardiology and among the top 3 companies in a total of 7 therapy areas and it is also well known in the area of psychiatry therapy, wherein the plaintiff manufactures medicines for treatment of major depressive, generalize anxiety, social anxiety, panic disorders and various disorders requiring antidepressant medicines and is having large research and development facilities all over the world including India and making constant endeavours in coming out with new and improved preparations for better treatment of depressive disorders.

1.2. The plaintiff would further aver that in or about August 2000, the plaintiff adopted the trademark VENIZ in respect of pharmaceutical preparations for treatment of depressive disorders and other psychotic disorders and the said pharmaceutical preparation has been extensively used in medicinal and pharmaceutical products for treatment of major depressive disorders and other psychotic disorders since 2000 and are extensively renowned throughout the market and amongst practitioner for the quality and efficacy of their products and thereby, the plaintiff has garnered an enviable reputation among psychiatrist and the brand recognition

among practitioners and users of such drugs is irrefutable throughout the country.

1.3. It is stated by the plaintiff that during October 2000, it applied to the Drug Controller for permission to manufacture Venlafaxine Extended Release (XR) Capsule for treatment of major depression disorders under the trademark "VENIZ". The Drug Control Administration, on 21.10.2000, had granted permission to the plaintiff for manufacturing Venlafaxine capsules and thereafter, it commenced the manufacture of medicinal and pharmaceutical preparations under the trademark "VENIZ XR" for 37.5mg and 75mg, which are sold in strips in varying strengths from November, 2000. The plaintiff, subsequently, acquired drug licence dated 21.11.2003 for manufacture of medicinal preparations under the trademark "VENIZ XR" for 150mg and thus it is manufacturing and marketing medicinal preparations under the mark "VENIZ" in varying strengths of 37.5mg, 75mg and 150mg.

1.4. The plaintiff claims that it is the registered proprietor of the mark "VENIZ XR" under Reg.No.949364 dated 22.08.2000 in respect of medicinal and pharmaceutical preparations and substances included in Class 5 and the registration contains the condition and limitation that the trademark "VENIZ XR" shall give no right to the exclusive

use of the word XR as terminologies such as XR, OD, SR etc., refer to characteristics and/or timed release and/or dosage of the drug such as Extended Release (XR) and therefore, exclusive proprietary right of the plaintiff is restricted to the trademark "VENIZ" and its application are also pending for class 5 for the mark "D-VENIZ" for medicinal and pharmaceutical preparations. The plaintiff would further state that it had spent huge amount for marketing its preparations under the trademark "VENIZ" through advertisements, by circulation of trade literature, pamphlets, product manuals, visual aid etc., and its medicinal preparation under the said mark "VENIZ" have already been well received in the pharmaceutical trade and in para 9 of the plaint, it shows the year-wise tabulation of amounts incurred towards sales promotion.

1.5. It is the specific case of the plaintiff that during August 2009, it came across the defendants preparation bearing the mark "VENZ-OD" and such an adoption by the defendants is deceptively similar as that of the plaintiff mark and on making further enquiry in the market, the plaintiff came to know that the defendants preparation bearing the mark "VENZ-OD", which they sell in strips of 10 tablets containing Desvenlafaxine and is used in treatment of major depressive disorders and other psychotic disorders.

The plaintiff, in this regard, also issued a legal notice to the defendants on 25.08.2009 calling upon them to cease and desist from manufacturing and marketing medical preparations bearing the mark "VENZ" and in response to the said notice, the defendants sent a reply dated 12.10.2009 making untenable claims and also refused to comply with the requirements made in the notice.

1.6. The plaintiff would further state that it is indisputably the prior adopter and user of the trademark "VENIZ" and therefore, the defendants have no right to use the deceptively similar mark VENZ which amounts to infringement of plaintiff's registered trademark VENIZ and being a much later entrant to the market, the defendants are deemed and/or ought to have known the presence of the plaintiff, who is a market leader in preparations for treatment of major depressive disorders and other psychotic disorders and the formulations sold under the registered trademark "VENIZ" and the above said acts of the defendants clearly shows the *malafide* intention on the part of the defendants to ride on the goodwill and reputation of the plaintiff and to divert the plaintiff's business and sales to their own advantage. The defendants have also made a slavish imitation of the plaintiff's registered trademark "VENIZ" and have merely removed the letter 'I' and the

pharmaceutical preparations, for which the defendants are using the trademark "VENZ", are identical to the plaintiff's pharmaceutical preparations sold under the mark "VENIZ" and that apart, the marks involved are almost identical and deceptively similar and the goods involved are identical and are meant for the same ailment/disease/disorder.

1.7. It is also stated by the plaintiff that the marks "VENIZ" and "VENZ" are phonetically, visually and structurally similar and moreover, both products are sold for treatment of major depressive disorders and other psychotic disorders wherein the patient consuming the product would develop adverse effects. The defendants had adopted the plaintiff's trademark "VENIZ" in a manner which defacto represents the entirety of the mark and on account of the malafide and dishonest intention, an average person with imperfect recollection would not be in a position to differentiate between the two deceptively similar marks and there is every livelihood of the defendant's mark "VENZ" being mis-spelt or misread as the plaintiff's registered trademark "VENIZ" by the pharmacists/chemists while deciphering the handwriting of the prescription of the doctor because of the high degree of resemblances in both

the marks phonetically, visually and structurally and thus the use of deceptively similar mark "VENZ" by the defendants amounts to infringement and passing of their preparations as and for plaintiff's preparation under the mark "VENIZ". The plaintiff would further state that the plaintiff has suffered loss and continues to suffer loss to their reputation and goodwill on account of the illegal activities of the defendants and therefore, came forward to file the present Suit for various reliefs.

2. The defendants had filed common written statement denying the allegations made in the plaint and would state that this Court has no territorial jurisdiction to entertain the present Suit for the reason that the registered office of the first defendants as well as the plaintiff are located at Ahmedabad, Gujarat State and the registered office of the second defendant is at Sikkim and that apart, the plaintiff has failed to show any commercial sales of the defendant's mark "VENZ OD" within the territorial jurisdiction of this Court. The defendants, on the merits of the case, would contend that the plaintiff has acknowledged that it became aware of the defendant's product "VENZ- OD" in August, 2009 and the plaintiff claims to have actually issued a 'seize and desist' notice to the defendants in August 2009 and

though the first defendant has launched "VENZ-OD" in the market as early as on 03.08.2009, there is a gross delay in instituting the litigation.

3. The defendants would further state that in the year 2001, the first defendant adopted the trademark "VEN-OD" for its product Venlafaxine by adopting "VEN" from the name of the drug and "OD" from "ONCE A DAY" and the product under the said mark was launched in September, 2001. It is further stated by the defendants that the first defendant in the last quarter of the year 2006, started development work on the Active Pharmaceutical Ingredient (API) Desvenlafaxine at its facility and after successful development, it also started development work on the finished formulation containing Desvenlafaxine in August 2008 and also undertook Toxicology studies, Clinical Trials and Bioequivalence study for the said finished formulation and after successful completion, the first defendant applied to the Government of India for the manufacture of finished formulation containing Desvenlafaxine and the Director General of Health Service, vide letter dated 20.07.2009, granted permission to the first defendant to manufacture the said finished formulation. The first defendant also claims that it is the first pharmaceutical company in India to obtain manufacturing permission for Desvenlafaxine from the health

authorities and the drug containing Desvenlafaxine is manufactured by Zudus Healthcare, namely the second defendant. Since Desvenlafaxine is the isomer of Venlafaxine, the first defendant decided to modify its mark "Ven" and took the first letter "Z" from the first defendant trademark "Zydus" and coined the trademark "Venz" for the product of Desvenlafaxine and thus, the mark "Venz" is coined by adding the letter "Z" in the first defendant's existing mark "Ven" and the mark "Ven" was launched by the first defendant on 03.08.2009.

4. The defendant would state that there is no clear similarity between "VENIZ-XR" and "VENZ-OD" either visually or phonetically or structurally, much less any deceptive or confusing similarity and would further state that the plaintiff has merely and conveniently used "VEN" from the active ingredient Venlafaxine to form the trademark "VENIZ-XR" and even otherwise the prefix "VEN" cannot be exclusively used by the plaintiff in view of the fact that it is *publici juris* being a clipped abbreviation of the generic word Venlafaxine and on the other hand, the defendant's trademark "VENZ-OD" is a coined word and in para 12 would state that the defendants have a large number of products in its brand portfolio having suffix "Z". It is further stated by the defendants that there are other

trademarks available in the market which are used for the same purpose as that of the plaintiff's trademark "VENIZ" and in para 14, given the details of other companies starting with the word "VEN" and would contend that "VEN" is a common and generic to the pharmaceutical industry and no proprietorship over "VEN" can be claimed by the plaintiff and even otherwise, "VEN" being generic to the trade, no consumers are likely to be misguided or get confused as the suffix "IZ-XR" and "Z-OD" or even "IZ" and "Z" are completely different and dissimilar visually, structurally and phonetically and in the defendant's product the word "VENZ-OD" is written in much smaller fonts with a completely different get up and in para 15, had give the salient differences between the plaintiff's and defendant's products. The defendants would further state that the defendants' product "VENZ-OD" is available in the strength of 50 and 100 whereas the plaintiff's product "VENIZ-XR" is available in the strengths of 37.5mg, 75mg and 150 mg. The defendant's product are available in the form of tablets which is priced at Rs.79/- for 10 (50mg) tablets while the plaintiff's product "VENIZ-XR" is available in capsule form and priced at Rs.30/- for 10 (37.5mg) capsules, which further reduces the chances of any confusion and the first defendant had also obtained permission from the Government of India, Central Drugs Standard Control Organization,

Directorate General of Health Services to manufacture "VENZ-OD" on 20.07.2009 and also incurred expenditure of Rs.40.00 lacs on the development, clinical trials and studies of the Active Pharmaceutical Ingredient (API) as well as finished formulation and Rs.42.00 lacs for the purpose of launch of "VENZ-OD" and denied the allegation that with malafide and dishonest intention adopted the plaintiff's trademark "VENIZ" and prays for dismissal of the Suit with costs.

5. This Court, on consideration of pleadings, oral and documentary evidence, had framed the following issues on 20.06.2012:

1. Whether the plaintiff is entitled to an order of permanent injunction against the defendants' use of the trademark VENZ ?
2. Is not the use of deceptively similar trade mark VENZ by the defendants for identical class of goods amounts to violation of the proprietary and statutory rights vested with the plaintiff?
3. Whether the plaintiff is entitled to an order of permanent injunction against the defendants for the acts of infringement committed by the defendants?

4. Whether the plaintiff is entitled to an order of permanent injunction against the defendants for the acts of passing off committed by the defendants?
5. Whether the plaintiff entitled to the relief of damages as prayed for?
6. Whether or not the plaintiff is entitled for a direction to surrender of goods and materials of the defendants as prayed for?
7. Whether the plaintiff is entitled to a decree for rendition of accounts?
8. Whether the trademark Venz OD is distinct and distinguishable from the trademark Veniz XR?
9. Whether the prefix VEN is common to the trade with respect to pharmaceutical preparations marketed containing Venlafaxine/Des Venlafaxine?
10. Whether the defendant is entitled to use the trademark Venz OD considering that the plaintiff never objected to the use of the trademark VEN OD for over eight years?

11. Whether the difference in overall colour scheme get up and layout will distinguish the rival products?

12. To what other relief is the plaintiff entitled to?

6. Mr.Rajmallaiah, being the constituted attorney of the plaintiff, has filed proof affidavit in lieu of chief examination and marked Exs.P1 to P16 and was also cross examined. The General Manager (Legal) of the first defendant has filed proof affidavit in lieu of chief examination and it is averred among other things that notwithstanding the right of the defendants to use the trademark "VENZ-OD", the defendants had adopted the trademark "ZYVEN" for use with respect to the Active Pharmaceutical Ingredient Desvenlafaxine and they adopted the trademark "ZYVEN" choosing the alphabets "ZY" from the name of the second defendant, namely Zydus Healthcare and the letters "VEN" from the Active Pharmaceutical Ingredient Des Venlafaxine and in the light of adoption of the mark "ZYVEN" by the defendants, cause of action of the present Suit has been extinguished and it is further stated that the defendants have no intention to use the trademark "VENZ-OD" in future. Exs.D1 to D16 were marked as exhibits on behalf of the defendants. DW1 was also cross examined by the

learned counsel appearing for the plaintiff.

7. Mr.Arun C.Mohan, learned counsel appearing for the plaintiff has drawn the attention of this Court to the pleadings, oral and documentary evidence and would contend that though DW1, in the proof affidavit filed in lieu of chief examination, took a stand that they have adopted the trademark "ZYVEN" in respect of pharmaceutical products, namely Des Venlafaxine, the fact remains that at the time of institution of the Suit, they have adopted the mark "VENZ" which was visually, phonetically and structurally similar to that of the plaintiff's registered trademark "VENIZ" and therefore, they are entitled to get a judgment and decree in respect of prayers (a) and (b). Insofar as prayer (c) viz., claim towards liquidated damages, it is the submission of the learned counsel appearing for the plaintiff that at the time of presentation of the Suit on 03.11.2009, the defendants by adopting the mark "VENZ-OD", has enjoyed the reputation and goodwill of the plaintiff and earned huge sums of income with a corresponding loss to the plaintiff especially to their reputation and goodwill. It is also the contention of the learned counsel appearing for the plaintiff that the plaintiff in a passing-off action need not prove that it has actually suffered damage by loss of business and a probability of damage is enough and it is not

obligatory on the part of the plaintiff to prove that individual sales will be diverted to the defendant in order to make out damage element of passing off action and therefore, the award of damages is a matter of routine when other elements are tort are made out.

8. It is the further submission of the learned counsel appearing for the plaintiff that damages are the monetary compensation that is awarded by a Court in a civil action to an individual, who has been injured because of the wrongful conduct of another party and the purpose of damages is to restore an injured party to the position in which he was placed before being harmed or suffered injury and despite the fact that the defendants had changed the impugned trademark, still the cause of action survives on the part of the plaintiff to claim damages especially for the reason that the defendants had maliciously or wantonly adopted the plaintiff's trademark and prayed for decreeing of the Suit with costs. The learned counsel appearing for the plaintiff, in support of his submissions, placed reliance upon the following judgments:

(1) Time Incorporated v. Lokesh Srivastava and another
[2005 (30) PTC 3 (Del)]

(2) Beiersdorf A.G. v. Ajay Sukhwani & Another [(2009)

156 DLT 83

(3) *Hilton Tobacco Private Ltd. v. Souza Cruz S.A. And Others* [1995 (1) ALT 29]

(4) *Sabmiller India Ltd. v. Jagpin Beveries Ltd.* [2014

(5) Bom CR 721]

(5) *Macleods Pharmaceuticals Ltd. v. Procure Laboratories Pvt. Ltd.* [2013 (54) PTC 357 (Del.):

(6) *Microsoft v. Kiran and anr.* [2007 (35) PTC 748 (Del)]

(7) *Living Media India Ltd. & Anr. v. Hussain & Ors.* [2013 (55) PTC 548 (Del)]

(8) *Mathias v. Accor Economy Lodging, Inc.* [347 F.3d 672 (7th Cir.2003)]

(8) *Ruston & Hornsby Ltd. v. The Zamindara Engineering Co.* [1970 AIR 1649].

9. *Per contra*, Mrs. Gladys Daniel, learned counsel appearing for the defendants would contend that the basic molecule contained in the plaintiff's mark is Venlafaxine and therefore, the trademark of the plaintiff, namely "VENIZ-XR" is not a original coined word and the plaintiff had lifted the word "VEN" from the basic molecule and used the trademark "VENIZ-XR" and therefore, it cannot be termed as original coined word and even otherwise, the word "VEN"

is a *publici juris* being a clipped abbreviation of the generic word Venlafaxine and therefore, it is not open to the plaintiff to state that the defendants voluntarily and dishonestly adopted the mark "VENZ-OD". It is the further submission of the learned counsel appearing for the defendants that subsequent to the filing of the Suit, the defendants had adopted the trademark "ZYVEN" and in the light of the said development, nothing survives for adjudication in the Suit. Insofar as the claim for damages is concerned, it is contended by the learned counsel appearing for the defendants that no worthwhile and tenable material in the form of evidence have been adduced by the plaintiff to show that on account of adoption of the mark "VENZ-OD" by the defendants, they suffered loss in terms of income as well as reputation and goodwill and in the absence of any credible evidence, the prayer for damages cannot be granted and prayed for dismissal of the Suit with costs.

10. This Court has carefully considered the rival submissions and also gone through the pleadings and analyzed the oral and documentary evidence and the decisions relied on by the learned counsel appearing for the plaintiff.

11. The decisions relied on by the learned counsel appearing for the plaintiff's lay down the proposition that

the award of damages is for the purpose of compensating the loss suffered by the concerned authority and punitive damages are awarded to deter the wrongdoer from indulging in such kind of unlawful activities and actual damages need not be proved and the possibility of damage is enough and damage/loss in the present case can be presumed as a natural consequence of misrepresentation. Insofar as confusion and deception caused on account of adoption of the mark "VENZ-OD" by the defendants, even likelihood of confusion and deception is sufficient and actual instance of confusion or deception is not required to be proved and in the case on hand, the defendants had acted with the intention to deceive public and thereby reasonable possibility of injury is proximate and in that event damages can be awarded.

Issue No.1

12. In the light of the stand taken by DW1 in para 3 of the proof affidavit filed in lieu of chief examination dated 27.01.2014, the plaintiff is entitled to the relief claimed in prayer (a).

Issue No.2

13. In ***M/s.Hilton Tobacco Private Ltd., v. M/s.Souza Cruz S.A & Ors. [1994 SCC OnLine AP 209]***, the High Court of Andhra Pradesh, with regard to cigarettes bearing the brand

name "HOLLYWOOD", observed as follows:

"19. Action for infringement of a Trade Mark is a statutory right when it is registered. The validity of registration assumes importance in such cases. No action lies for infringement of an unregistered Trade Mark. Notwithstanding the fact that the Trade Mark is not registered, still action is maintainable for passing off goods as the goods of another person. No man can have a right to represent his goods as that of another. If there is false and deceitful representation either expressly or impliedly, then action for passing off lies when it is likely to affect the reputation of another. So, what is necessary in these cases is that the plaintiff has to establish that his mark has attained a certain degree of protectable reputation. The mark or identity should have become distinctive or identifiable of the product manufactured by the plaintiff. If the get up or the mark has been distinctive and there would be probability of confusion if a similar product co-exists in the market, it is actionable. If the get up with which the goods are identified or associated with in the mind of the purchaser creates confusion with the other goods, passing off is proved. The test is how an average man of ordinary intelligence would react when goods of different make but with similar appearance appear in the market. Deceptive resemblance in view of visual similarities amounts to passing off. What all necessary is if the plaintiffs have established a reputation with regard to their goods and if the defendants mark is likely to deceive and cause confusion in the mind of the public, it becomes a case of passing off. The Court has to look at the mark bearing in mind the customers who would be buying the goods. The test is whether the deceptive mark so nearly resembles the mark of the plaintiff, and whether it is likely to misguide and confuse the public. Passing off arises by use of his goods under the trade name or mark of a rival trader so as to induce a potential purchaser to believe that his goods were those of the rival trader. Passing off may be evident in making articles deliberately like

that of the other trader with a get up indistinguishable from that of the other with an intention to take advantage of the reputation of the other trade. The public have a right to be protected against deception. The trader may adopt a camouflage in order to pass off his goods as that of his rival trader under a particular name or mark in order to gain wrongfully. Cheating in trade must be prevented and the public should be protected. Eye is the best judge to distinguish visual or phonetic similarities. If the eye cannot distinguish one product from the other by ordinary care, it amounts to brazen and dishonest imitation where the original manufacturer requires protection of his reputation. No actual damage sustained by the plaintiff need be proved. What all is required under law is one is not entitled to represent his goods as that of another, but it is not necessary for the plaintiff to prove that the defendant did this intentionally or with an intention to deceive. If the action of the defendant is likely to cause damage to the reputation of the goods of the plaintiff, it is actionable.

20. In order to establish passing off,, what emerges from the above discussion is (1) it is enough if the plaintiff establishes that his goods enjoy a particular reputation and they have acquired a distinctive or secondary meaning in connection with his business; (2) the plaintiff need not prove actual damage or loss; and (3) it is enough if the plaintiff establishes that there is every likelihood of deception or confusion in the mind of the purchaser."

14. In **Cadila Health Care Ltd., v. Cadila Pharmaceuticals Ltd., [(2001) 5 SCC 73]**, the issue was related to medicine being sold under a brand name "Falcitab" by the respondent, namely Cadila Pharmaceuticals Ltd. The appellant therein is none else than the first defendant in

the Suit. The Hon'ble Supreme Court of India, after taking note of various decision, observed as follows:

"31. Trade mark is essentially adopted to advertise one's product and to make it known to the purchaser. It attempts to portray the nature and, if possible, the quality of the product and over a period of time the mark may become popular. It is usually at that stage that other people are tempted to pass off their products as that of the original owner of the mark. That is why it is said that in a passing-off action, the plaintiff's right is

"against the conduct of the defendant which leads to or is intended or calculated to lead to deception. Passing-off is said to be a species of unfair trade competition or of actionable unfair trading by which one person, through deception, attempts to obtain an economic benefit of the reputation which another has established for himself in a particular trade or business. The action is regarded as an action for deceit". [See *Wander Ltd. v. Antox India (P) Ltd.* [1990 Supp SCC 727, SCC p. 734, para 16.]

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. This view finds support from *McCarthy on Trade Marks*, 3rd Edn., para 23.12 of which reads 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."

In para 33, after taking note of the decision of English Courts, the Hon'ble Supreme Court of India has observed that 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.

15. This Court, keeping in mind the observations made in the above cited decisions, has carefully scanned through the oral and documentary evidence.

16. Under Ex.P2, plaintiff was granted permission to manufacture Venlafaxine extended release capsule under the mark VENIZ-XR (37.5 and 75mg) and the product having the composition Venlafaxine Hcl equivalent to Venlafaxine 37.5/75mg (as extended release pallets). Similarly, under Exs.P3 and P4 dated 21.11.2003 and 25.07.2009 respectively, drug licence for manufacture of Venlafaxine extended release capsules 150mg under mark "VENIZ-XR" and Desvenlafaxine extended release tablet 50mg and 100 mg under mark "D-VENIZ" has been granted to the plaintiff. Ex.P5 is the cartons of plaintiff's "VENIZ-XR" and "D-VENIZ" products. Exs.P6 and P7 dated 22.08.2000 and 25.05.2009 respectively are the certified copies of the register in respect of registration of the mark "VENIZ-XR" and "D-VENIZ" under Nos.949364 and 1821705 respectively in class 5.

17. Ex.D3 is the manufacturing licence granted by the Central Drugs Standard Control Organisation, Directorate General of Health Services, Government of India dated 20.07.2009 granted to the first defendant for permission to manufacture Desvenlafaxine Extended Release Tablets. Ex.D5 dated 06.05.2010 is the communication of the Department of Health Care, Human Services and Family Welfare, Drugs and Cosmetics Cell, Gangtok, addressed to the second defendant granting them permission to manufacture additional products,

namely Desvenlafaxine Extended Release Tablets "ZYVEN-OD" 50 Tablets as well as Desvenlafaxine Extended Release Tablets "ZYVEN-OD" 100 Tablets.

18. In **Sabmiller India Ltd. v. Jagpin Breweries Ltd.** [2014 (5) Bom CR 721], issue arose as to the infringement of the trademark, namely "HAYWARDS 5000" in respect of beer came up for consideration. In the said decision, the decision of the Hon'ble Supreme Court of India in **Laxmikant V. Patel v. Chetanbhat Shah and Anr.** [MANU/SC/0763/2001] was referred to which lay down the proposition that three elements of passing off action are required to be proved by the plaintiff and they are: (a) plaintiff's mark has become by user distinctive of the plaintiff's goods and has acquired reputation, (b) there is a possibility of confusion and deception if the defendant uses the impugned trade mark and (c) there is a likelihood of damage to the plaintiff's reputation and/or business. The Bombay High Court, after referring to various decisions of the Hon'ble Supreme Court of India and other decisions, in para 13, observed as follows:

"13. Now, if in the light of these rival submissions the record of the case is perused, it becomes clear that the trade-mark of the petitioner "HAYWARDS 5000" is a registered trademark. Perusal of the registration shows that numeral "5000" is not disclaimed. What is disclaimed is the descriptive material on the

label. Whenever numeral in the label or trade mark is disclaimed, it is clear from the material available on record that it was specifically so mentioned, and therefore, in my opinion, it is clear from the material available on record that so far as the registration of the label of "HAYWARDS 5000" is concerned, the numeral has not been disclaimed, and therefore, in view of the registration of the trade-mark and the label, the plaintiffs will have a statutory right to prevent the defendants from using a deceptively similar mark..."

19. Exs.P6 and P7 dated 22.08.2000 and 25.05.2009 respectively are the certified copies of the register in respect of registration of the mark "VENIZ-XR" and "D-VENIZ" granted in favour of the plaintiff by the Trademark Registry, Government of India and on the contrary, no documents have been produced as the registration of the mark "VENIZ-OD" granted in favour of the defendants. PW1, in the cross examination, would state that the defendants started using the word "VENZ - OD" somewhere around in the year 2009 and admit that the products under the mark "VENIZ-OD" are used to treat identical ailments and denied the suggestion that the products are identical.

20. Chapter IV of the Trade Marks Act, 1999 deals with effect of registration and Sections 28 and 29 deal with rights conferred by registration and infringement of registered trade mark. As already pointed out, the

plaintiff under Exs.P2 to P4 got Drug Licence for manufacture of Venlafaxine Extended Release Capsules of various potentials and also got registration of the marks "VENIZ-XR" and "D-VENIZ" under Exs.P6 and P7 respectively and whereas the defendants did not produce any document relating to registration of the mark, namely "VENZ-OD".

21. In the light of the reasons assigned above, the plaintiff is having statutory right to restrain/prevent the defendants from using the deceptively similar mark. This Court, while answering Issue No.1 had taken note of the proof affidavit of DW1 as well as his chief examination wherein it is stated that the name "VENZ-OD" has been changed as "ZYVEN OD" and answered Issue No.1 in favour of the plaintiff. Therefore, the defendants are to be restrained from manufacturing, selling etc., of the pharmaceutical preparations under the trademark "VENZ" or other trademark containing identical and/or deceptively similar trademark as that of the plaintiff's trademark "VENIZ" and/or use similar packaging as that of the plaintiff's products under the marks "VENZ" so as to pass off the defendant's preparations as and for the preparations of the plaintiff's and/or in any other manner whatsoever connected with the plaintiff. It is also clarified that in the light of subsequent development, namely change of the

name of the mark "ZYVEN", this Court holds that the said mark now being used by the defendants is not identical or deceptively similar to that of the plaintiff's trademark "VENIZ". Therefore, Issue No.2 is answered in negative against the plaintiff.

Issue Nos.3 and 4

22. In the light of the findings given in respect of Issue Nos.1 and 2, the plaintiff is entitled to a decree for permanent injunction restraining the defendants from committing the acts of infringement of their trademark "VENIZ" and also from passing off the products under the trademark "VENIZ".

Issue No.8

23. In the light of the reasons assigned above, this Court is of the view that the erstwhile trademark "VENZ-OD" used by the defendant is phonetically similar to that of the trademark of the plaintiff, namely "VENIZ" and is answered accordingly.

Issue No.9

24. It is the stand of the defendants that active ingredient of the pharmaceutical preparations of the plaintiff as well as the defendants is Desvenlafaxine and

therefore, plaintiff thought fit to name the mark as "VENIZ". As pointed out earlier, though the defendants were originally using the mark "VENZ-OD", subsequently changed the name as "ZYVEN" and in the light of the fact that Desvenlafaxine is the basic ingredient name of the pharmaceutical product, there cannot be any prohibition in using the word "VENIZ". Since the plaintiff had obtained registration in respect of the mark "VENIZ-XR" and "D-VENIZ", the defendant cannot put the word "VENIZ" as a prefix to their pharmaceutical products and pendency of the Suit, they have changed the mark as "ZYVEN", the primordial relief sought for by the plaintiff is to be granted. Therefore, Issue No.9 is answered accordingly.

Issue No.10

25. In the light of the fact as discernible from the evidence available on record that the plaintiff had obtained product licence for the manufacture of pharmaceutical products under the mark "VENIZ-XR" and "D-VENIZ" under Exs.P2 to P4 dated 21.10.2000, 21.11.2003 and 25.07.2009 respectively coupled with the registration of the said marks under Exs.P6 and P7 dated 22.08.2000 and 25.05.2009 respectively, the defendants are not entitled to use the mark "VENZ-OD" and after realizing the same, they have also changed the mark as "ZYVEN". Therefore, Issue No.10 is

answered accordingly.

Issue No.11

26. A side-by-side comparison of Ex.P5-Cartons of plaintiff's pharmaceutical products "VENIZ-XR" and "D-VENIZ" and cartons of the defendants marked as Ex.P13 would disclose that the colour scheme and get up are not visually similar except the word "VENZ-OD", which is phonetically similar and this Court has already expressed opinion that since the mark "VENZ-OD" used by the defendants are phonetically similar, they should be restrained from doing so and even otherwise, they have also changed the mark as "ZYVEN" during the pendency of the Suit. In the light of the said subsequent development, now there is a difference in over all colour scheme and get up and layout of plaintiff's product and defendants' pharmaceutical products and it can be easily distinguishable.

Issue No.5

27. The judgments relied on by the learned counsel appearing for the plaintiff lay down the proposition that actual damage need not be proved and mere possibility of damage is enough and damage/loss can be presumed as a natural consequence of misrepresentation. Though the plaintiff marked Ex.P9 dated 27.08.2009- Chartered

Accountant certified statement of sales of products under the mark "VENIZ-XR" and Ex.P11- Chartered Accountant certified statement of sales promotion expenses with respect of products under the mark "VENIZ-XR", have not produced any substantive material. PW1, in the cross examination, would state that he is not able to recollect the amount of damages and not able to file any document to prove the damages.

28. In the light of the ratio laid down in the decisions cited by the learned counsel appearing for the plaintiff, this Court is of the view that the plaintiff is entitled to nominal damages. Under prayer (c), the plaintiff has claimed a sum of Rs.10,05,000/- as liquidated damages. However, it is to be pointed out at this juncture that the documents filed under Exs.P9 to P11 coupled with the evidence of PW1 did not substantiate the claim for liquidated damages and in the light of the said legal position, the plaintiff need not prove actual damage/loss and mere possibility of damage is enough coupled with the fact that the mark "VENIZ-OD" used by the defendant phonetically similar, which was changed subsequently during the pendency of the Suit, this Court is of the view that the plaintiff is entitled to nominal damage of Rs.3,00,000/-. Therefore, Issue No.5 is answered in affirmative in favour of the plaintiff.

Issue No.6

29. DW1 in his proof affidavit dated 27.01.2014 has stated that the defendants had adopted the trademark "ZYVEN" and made an application to the licencing authority, namely Department of Health Care, Human Services and Family Welfare, Drugs and Cosmetics Cell, Government of Sikkim dated 23.04.2010 and under Ex.D5, the said authority has granted additional permission to manufacture Desvenlafaxine extended release tablets "ZYVEN-OD 50mg" and "ZYVEN-OD 100mg". It is not the case of the plaintiff that despite such a permission and change of name, the defendants continued to manufacture pharmaceutical products under the original mark "VENZ-OD". Therefore, the plaintiff is not entitled to get a direction to surrender the goods and materials of the defendants as per prayer (d).

Issue No.7

30. The fact remains that till the date of obtaining Exs.D4 and D5 dated 23.04.2010 and 04.05.2010, the defendants were manufacturing pharmaceutical products under mark "VENZ-OD" and therefore, they are liable to render their accounts in respect of sale of their pharmaceutical product. Therefore, the said issue is answered in favour of the plaintiff.

Issue No.12

31. The plaintiff is entitled to get a judgment and decree for:

(a) A permanent injunction restraining the Defendants, their distributors, stockists, servants, agents, retailers, legal representatives or any other person claiming under them from in any manner manufacturing, selling, offering for sale, stocking, advertising directly or indirectly dealing in medicinal and pharmaceutical preparations infringing plaintiff's registered trademark VENIZ by use of deceptively similar trademark VENZ or any mark deceptively similar to plaintiff's registered trademark VENIZ or in any other manner whatsoever.

(b) A permanent injunction restraining the defendant's, their distributors, stockists, servants, agents, retailers, legal representatives or any other person claiming under them from in any manner manufacturing, selling, offering for their stocking, advertising directly or indirectly dealing in medicinal and pharmaceutical preparations under the trademark VENZ or any other trademark containing identical and/or deceptively similar trademark as that of the plaintiff's trademark VENIZ and/or use similar packaging as that of the plaintiff's products under the marks VENIZ so as to pass off the defendant's preparations as and for the preparations of the plaintiff and/or in any other manner whatsoever connected with the plaintiff.

(c) the Defendant is ordered to pay to the plaintiff a sum of Rs.3,00,000/- as liquidated damages for committing acts of infringement against plaintiff's registered trademark so as to pass off their products as and for the plaintiff's products;

(d) A preliminary decree in favour of the plaintiff directing the defendant to render accounts of profits made by them by use of the trademark VENZ and for the rendition of accounts.

(e) The plaintiff is also entitled to cost of the suit.

List of Witnesses:

PW1 : Mr.Rajmallaiah Cirumallah
DW1 : Mr.Mehul Pathak

List of Exhibits :

Plaintiff's side

<i>Sl. No</i>	<i>Exhibits</i>	<i>Description of Documents</i>	<i>Date</i>
1.	Ex.P1	Board Resolution	31.01.2011
2.	Ex.P2	Notarized copy of Drug Licence for manufacture of Venlafaxine Extended Release capsule (37.5 and 75 mg) under mark VENIZ XR.	21.10.2000
3.	Ex.P3	Notarized copy of Drug Licence for manufacture of Venlafaxine extended release capsule (150 mg) under mark VENIZ XR.	21.11.2003

4.	Ex.P4	Notarized copy of Drug Licence for manufacture of DesVenlafaxine extended release tablet (50 and 100 mg) under mark D-VENIZ.	25.07.2009
5.	Ex.P5 Series (2 Nos.)	Cartons of plaintiff's VENIZ XR and D-VENIZ products	---
6.	Ex.P6	Notarized copy of the certified copy of the register in respect of registration of the mark VENIZ XR under No.949364 in Class 5	22.08.2000
7.	Ex.P7	Notarized copy of the certified copy of the register in respect of registration of the mark D-VENIZ under No.1821705 in Class 5	25.05.2009
8.	Ex.P8	Invoice raised for the sale of products under mark VENIZ XR	---
9.	Ex.P9	Chartered Accountants certified statement of sales of products under the mark VENIZ XR	27.08.2009
10.	Ex.P10 Series (2 Nos.)	Photo copies of the product brochures for plaintiff's VENIZ XR and D-VENIZ	--
11.	Ex.P11	Original Chartered Accountants certified statement of sales promotion expenses with respect to products under the mark	27.08.2009
12.	Ex.P12	Invoice raised for the sale of defendant's products under the mark VENZ OD	---
13.	Ex.P13	Cartons of defendants' VENZ OD product	---
14.	Ex.P14	Office copy of Cease and Desist Notice sent by the plaintiff to defendants	25.08.2009
15.	Ex.P15	Original reply sent by the defendants along with postal cover	12.10.2009
16.	Ex.P16	Notarized copy of extracts from medical journals listing plaintiff's product VENIZ	---

Defendants' side

Sl. No.	Exhibits	Description of Documents	Date
1.	Ex.D1	Original Board resolution and authorization	---
2.	Ex.D2	Original tablet strip of ZYVEN OD	---
3.	Ex.D3	Photo copy of manufacturing licence for the drug Desvenlafaxine	---
4.	Ex.D4	Photo copy of product permission of ZYVEN OD pertaining to Defendant No.2 with the Food and Drugs Administration, Sikkim.	---
5.	Ex.D5	Photo copy of additional product permission of ZYVEN OD granted by Department of Health Care, Human Services and Family Welfare, Drugs and Cosmetics Cell Government of Sikkim in favour of Defendant No.2	---
6.	Ex.D6	Original consignment note for the product ZYVEN OD issued by the Defendant No.2	---

sd/.M.S.N.J

03.06.2016

//Certified to be a true copy//
Dated this the day of 2016.

S.s/16.08.2016

COURT OFFICER

From 25.09.2008 the Registry is issuing certified copies of
the Order/Judgment Decree in this format.