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## IN THE HIGH COURT OF JUDICATURE AT MADRAS

|                        |            |
|------------------------|------------|
| Judgment reserved on   | 21.12.2023 |
| Judgment pronounced on | 12.07.2024 |

## CORAM:

THE HON'BLE MR. JUSTICE SENTHILKUMAR RAMAMOORTHY

(T) CMA (TM) No.40 of 2023[OA/33/2014/TM/MAS]

Glenmark Pharmaceuticals Ltd.,  
B-2 Mahalaxmi Chambers,  
22, Bhulabhai Desai Road,  
Mumbai-400 026.

.. Appellant

v.

1. Mrs. Karlin Pharmaceuticals & Exports  
Private Limited, Old 140, New No.2,  
Indra Nagar, Valasarawakkam,  
Chennai 600 087.

2. The Deputy Registrar of Trade Marks,  
Office of the Trade Mark Registry  
Branch at Chennai  
IPR Building, G.S.T.Road,  
Guindy, Chennai-600 032.

.. Respondents

**PRAYER** : This Transfer Civil Miscellaneous Appeal (Trademarks)  
filed under Section 91 of the Trade Marks Act, 1999 in respect of  
goods falling in class 5, prays to:



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(a) Allow the appeal of the Appellant, set aside the order dated 26/07/2013 of the Respondent No.2 herein, the Learned Deputy Registrar of Trade Marks, Mumbai passed in Opposition No.BOM-716540 to Application No.749366 in Class 5 and communicated vide Letter dated 07/01/2014 and allow the Opposition filed by the Appellant against the Respondent No.1 and thus render justice;

(b) the Respondent No.1 be asked to bear the cost of this proceedings under the provisions of Rule 19 of Intellectual Property Appellate Board (Procedure) Rules, 2003 read with paragraph (d) of sub-Section (2) of Section 92 of the Trade Marks Act, 1999 on the ground that (i) the Respondent No.1 has knowingly and deliberately with dishonest intention in bad faith adopted the impugned mark which is closely, confusingly and deceptively similar to the prior registered trade mark of the Appellant in relation to medicinal and/or pharmaceutical preparations and, (ii) the Respondent No.1 filed the impugned application in total disregard to registration of trade marks in relation to pharmaceutical preparations in Class 05 with a view to avoid causing any confusion/deception among consumers and thus render justice;

(c) Pending the hearing and final disposal of this appeal, direct the Trade Mark Registry not to issue the registration certificate; &



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(d) Pass any other further order(s) as this Court may deem fit and proper in the facts and circumstances of this case.

For Appellants : Mr. Mahesh Mahadgut  
Mr. R.Sathish Kumar  
Ms. M.R. Meha Varshni  
For M/s. Vishesh and Associates

For Respondent : Mr.N.Alagu Narayanan  
for M/s.RRN Legal for R1  
Mr.Rajesh Vivekananthan, DSG for R2

### **JUDGMENT**

#### **Background**

This appeal is directed against the order dated 26.07.2013 rejecting Opposition No.716540 and, consequently, accepting Application No.749366 for registration of the trademark 'CANDEX-B' in Class 5.

2. The first respondent herein filed Application No.749366 on 21.03.1997 on “proposed to be used” basis for registration of the trademark 'CANDEX-B' in Class 5 relating to pharmaceutical



products. The application was advertised in the trademarks journal on 16.08.2007. Upon noticing such advertisement, the appellant lodged the notice of opposition on 15.01.2008. The first respondent filed a counter statement in response on 23.04.2008. Both the contesting parties adduced evidence in support of the opposition and application, respectively. Eventually, by impugned order dated 26.07.2013, the opposition was rejected and the application was accepted for registration. The present appeal arises in the said facts and circumstances.

**Counsel and their contentions:**

3. Oral arguments on behalf of the appellant were advanced by Mr.Mahesh Mahadgut, learned counsel, assisted by Mr.R.Sathish Kumar and Ms.M.R.Meha Varshini, learned counsel; on behalf of the first respondent by Mr.N.Alagu Narayanan, learned counsel for M/s.RRN Legal; and by Mr.Rajesh Vivekanandan, Deputy Solicitor General, on behalf of the second respondent.



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4. Learned counsel for the appellant submitted that the appellant honestly coined, adopted and used the trademark 'CANDID' in respect of dermatological products since 1978-79. He further submitted that the said products bearing the trademark 'CANDID' are being used openly, honestly and continuously since then. He further submitted that the active pharmaceutical ingredients in CANDID are a combination of clotrimazole and beta methasone dipropionate and that the product is used for the treatment of multiple fungal infections. He next submitted that the first respondent admittedly adopted and used the impugned trademark 'CANDEX-B' much later. According to him, such adoption and use is dishonest and that it was done with the *mala fide* intention of capitalising on the goodwill acquired by the appellant for the mark CANDID.

5. He also submitted that the trademark CANDID was declared as a well known trademark by the Bombay High Court in Suit



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No.182 of 2013 and the said mark is consequently entered in the register of well known trademarks of the trademarks registry. By referring to the impugned order, learned counsel submitted that the second respondent concluded erroneously that the first respondent's trademark is different from the appellant's trademark and that there is no likelihood of confusion or deception during the course of trade. Especially in view of the admitted position that both trademarks are applied to products used for the treatment of dermatological conditions, learned counsel submitted that there is every likelihood of confusion on the part of the public. For all these reasons, learned counsel submitted that the appeal is liable to be allowed.

6. In response to these contentions, learned counsel for the first respondent submitted that the appellant filed Application No.516507 for registration of the trademark 'CANDID' and subsequently abandoned such application. Similarly, he submitted that Application No.1323027 was also abandoned by the appellant. By pointing out that the first respondent filed Application No.749366 on



21.03.1997 on a 'proposed to be used' basis and started using the trademark shortly thereafter, he pointed out that the impugned order was issued about 16 years after the first respondent started using the trademark. In these facts and circumstances, he contended that the first respondent is entitled to the benefit of Section 12 of the Trade Marks Act, 1999 (the Trade Marks Act) as an honest and concurrent user of the trademark.

7. As regards the contention of learned counsel for the appellant that the trademark CANDID was declared as a well known trademark, learned counsel submitted that such declaration was made in 2013, whereas the first respondent's application for registration was filed in 1997. Consequently, learned counsel submitted that the subsequent declaration is not relevant for purposes of deciding this appeal. Learned counsel next submitted that the trademark CANDEX-B was honestly coined and adopted by drawing on the name of the disease or condition, candidiasis, which is treated by the pharmaceutical preparation. He further submitted in this connection that there are several products in the market bearing



trademarks derived from candidiasis.

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8. Since the trademarks of both the appellant and the first respondent were derived from the name of the disease, learned counsel submitted that such trademarks are weak and that protection would be denied even if there is a small difference between the marks under comparison. In this case, he pointed out that the public would not be deceived or confused between CANDEX-B and CANDID. In support of these contentions, he relied upon the following judgments:

*(i) Sun Pharmaceutical Industries Limited and Another v. Nirma Limited and Another, judgment dated 03.08.2021 in C.S.No.735 of 2011, particularly paragraph 38 thereof;*

*(ii) Schering Corporation and Others v. Alkem Laboratories Ltd., 2009 SCC Online Del 3886;*

*(iii) Kivi Labs Limited v. Sun Pharmaceuticals Pvt. Ltd. Manu/TN/1394/2012; and*

*(iv) Astrazeneca UK Ltd. and another v. Orchid Chemicals &*



*Pharmaceuticals Ltd. ILR (2007) I DELHI 874.*

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9. By way of rejoinder, learned counsel for the appellant reiterated that the adoption and use of the trademark CANDEX-B by the first respondent is not *bona fide*. In response to the contention that the trademark was derived from candidiasis, learned counsel pointed out that the product is used for the treatment of not only candidiasis but also pityriasis versicolor and dermatophytosis. Even with regard to candidiasis, he pointed out that the name of the condition is mucocutaneous candidiasis. In this context, he submitted that the first respondent dishonestly adopted the trademark on account of the popularity and goodwill acquired by the appellant at the time of adoption of the mark by the first respondent. By referring to paragraph 6 of the counter statement of the first respondent, he pointed out that the first respondent admitted that the trademark CANDEX was already in use at the time of adoption of the trademark CANDEX-B. According to him, this establishes that the



first respondent's adoption was dishonest. He next pointed out that the appellant had asserted that its trademark was well known in paragraph 2 of the notice of opposition, and that such assertion was followed up by adducing evidence that the trademark was well known.

10. Learned counsel thereafter contended that the first respondent did not take even the elementary precaution of conducting a search in the register of trademarks before adopting the impugned trademark. If such search had been conducted, learned counsel submits that the appellant's trademark would have been reflected in the register. By emphasising that the consequences to the public should be accorded significance in the context of pharmaceutical products, learned counsel referred to and relied upon the following judgments:

(i) *Wockhardt Limited v. Aristo Pharmaceuticals Limited*, 1999 SCC Online Madras 64;

(ii) *Ciba Geigy Ltd. v. Crosslands Research Laboratories Ltd.*, 1996



(16) PTC 1 (Del);

WEB COPY (iii) *Corn Products Refining Co. v. Shangrila Food Products Ltd.,*

PTC (Suppl) 1 13 (SC)

(iv) *Bal Pharma Ltd. v. Centaur Laboratories Pvt. Ltd.,* 2001 SCC

Online Bom 1176.

(v) *Glenmark Pharmaceuticals Ltd v. Bal Pharma Ltd.* 2009 (40)

PTC 732 (IPAB).

### **Discussion, Analysis and Conclusion:**

11. In the impugned order, the second respondent recorded the following findings as regards the opposition on absolute grounds:

*“First, I have to take the objection taken by the opponents that the trade mark CANDEX-B is a common to trade, and not capable of distinguish to goods of applicants during the course of trade, it is the common practice for adoption of trade mark in respect of medicinal and pharmaceutical preparations as part name of common salt or common name of the disease and added letters to make in coin word. The applicants has stated that they have taken the part name from the name of*



*disease and added the EX-B to make the trade mark coined in respect of their goods. The opponents' arguments the trade mark CANDEX-B is common to trade is not correct as the Registrar of Trade Marks has to see the mark as a whole and not in parts. The trade mark CANDEX-B is a coined word and capable of distinguishing to the goods of applicants during the course of trade to the others.*

*In view of the above, I am not able to sustain the objection of the opponents under section 9 of the Act."*

12. The absolute grounds of refusal under Sections 9(1)(a) and 9(2)(a) are as follows:

9. *Absolute grounds for refusal of registration.*

– (1) *The trade marks – (a) which are devoid of any distinctive character, that is to say, not capable of distinguishing the goods or services of one person from those of another person;*

(2) *A mark shall not be registered as a trade mark if – (a) it is of such nature as to deceive the public or cause confusion;*



The finding entered in the impugned order that a trade mark should be examined as a whole and that CANDEX-B, when viewed as a whole, satisfies the requirements of sub-section (1) of Section 9 is correct subject to testing the trade mark on relative grounds. As regards sub-section (2) of Section 9, the appellant did not adduce evidence of deception or confusion. Therefore, I find no reason to interfere with the above findings.

13. Next, I deal with the objection under Section 11 of the Trade Marks Act on relative grounds. On this issue, the following findings were entered in the impugned order:

*“The next objection taken under section 11 of the Act that the trade mark is likely to cause confusion to the trade mark of the opponents already registered and used of CANDID. The trade mark CANDID also registered in several countries and is well known trade mark and protection to be granted under section 11(10) also. The opponents also filed the evidence of use in respect of CANDID and no doubt the trade mark CANDID has been used by the opponents and*



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*registered continuously on the record of the Registry.*

*The applicants also filed the evidence in support of use of the mark which belong to the after date of filing the trade mark application. The rights are to be decided on the date of application and I have to decide objection of the opponents as under:-*

*The trade mark CANDEX-B and the opponents trade mark CANDID is different as the prefix of the mark is same but suffix is totally different as visually, phonetically and structurally. The Registrar has to compare both the mark as a whole and also see the public interests so that there shall be no chance to likely to cause confusion or deception during the course of trade.*

*In my opinion both the trade mark are different and the applicants have used the mark more than 13 years after the date of application, hence, the objection of the opponents under section 11 of the Act cannot be sustained."*

14. When an application for registration of a trademark is opposed on relative grounds by citing an earlier trade mark, such



opposition is required to be determined in accordance with Section 11 of the Trade Marks Act. Sub-sections 1 and 2 of Section 11 are set out below:

***“11. Relative grounds for refusal of registration. –***

*(1) Save as provided in section 12, a trade mark shall not be registered if, because of –*

*(a) its identity with an earlier trade mark and similarity of goods or services covered by the trade mark; or*

*(b) its similarity to an earlier trade mark and the identity or similarity of the goods or services covered by the trade mark, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.*

*(2) A trade mark which –*

*(a) is **identical with or similar to an earlier trade mark**; and*

*(b) is to be registered for goods or services which are **not similar** to those for which the earlier trade mark is registered in the name of a different proprietor,*



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*shall not be registered if or to the extent the earlier trade mark is a **well-known trade mark** in India and the use of the later mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trade mark.”* [emphasis added]

15. As is evident from the above provisions, subsection 1 applies when the earlier and later trademarks are identical or similar and the goods or services covered by the compared trademarks are identical or similar. Sub-section 2 applies if the earlier trademark is a well known trademark in India irrespective of whether the goods or services are similar or dissimilar.

16. In this case, the admitted position is that both the appellant and the first respondent applied the trademarks CANDID and CANDEX-B, respectively, to products used to treat dermatological conditions. Consequently, the goods in respect of which the trademarks are applied are similar goods. As a corollary, the only questions to be addressed are whether the first respondent qualifies as an honest and concurrent user under Section 12 of the Trade



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Marks Act and, if not, whether the trademarks are similar and whether there exists a likelihood of deception or confusion on the part of the public.

17. At the outset, the first respondent's contention that their usage is honest and concurrent warrants consideration. The first respondent applied on “proposed to be used” basis and started using the offending mark only after filing the application in 1997 and such use cannot be construed as concurrent. For a defence under Section 12 based on honest and concurrent use to be sustained, *inter alia*, the user claimed should be prior to the date of application and not thereafter. Although neck-to-neck concurrency is not required under Section 12, use by the first respondent almost twenty years after the appellant's use from 1978-79 does not meet the requirements. Therefore, the first respondent's use of the mark does not constitute honest and concurrent use. I next consider whether there is likelihood of deception or confusion.

18. Trademarks that are used in relation to pharmaceutical



products are often derived either from the generic name of the active pharmaceutical ingredient or from the name of the disease or condition addressed by the product. The first respondent asserts that the trademark CANDEX-B was derived from the condition called 'candidiasis'. According to the said respondent, the trademark of the appellant's product was also derived from candidiasis. This contention was refuted by learned counsel for the appellant on the ground that the active pharmaceutical ingredient, which is a combination of clotrimazole and beta methasone dipropionate, is used not only for the treatment of mucocutaneous candidiasis but also for the treatment of other fungal infections such as dermatophytosis and pityriasis versicolor.

19. Undoubtedly, the strength of a trademark derived either from the generic name of the active pharmaceutical ingredient or from one or more diseases that the product is intended to treat is weaker than an arbitrary trademark. In *Indian Immunologicals Limited v. IPCL Laboratories Private Ltd. and another*, 2024 (97) PTC 601 (Mad),



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I examined the strength and extent of protection accorded to trademarks derived from the generic name or the name of the relevant disease. I also considered several judgments dealing with such trademarks, including *Astrazeneca*, *Schering Corporation*, both of which were cited at the bar, and the judgment of the Division Bench of this Court in *Orchid Chemicals & Pharmaceuticals Ltd., v. Wockhardt Limited*, 2013 (3) CTC 841, before recording the following conclusions at paragraph 26 which is extracted hereunder:

*“26. By drawing on the above cases but without intending to be exhaustive of relevant considerations, I reach the following conclusions. Undoubtedly, the strength of a trade mark that is coined by appropriating from a generic name or API is weaker than an arbitrary or invented mark. In my view, the extent of appropriation from such generic name matters and, other things being equal, the greater the appropriation, the weaker the mark. Apart from the extent of appropriation, the extent of addition by the proprietor of the mark matters. Other things being equal, the greater the addition to the generic name by the proprietor, the stronger the mark. Needless to say – be it in*



*infringement or passing off actions, or in the context of an application for registration and objections being raised on relative grounds – the visual, phonetic and structural similarity between the later and earlier marks will, as in all cases, play a significant role. The likelihood of deception and confusion on the part of the public also cannot be underestimated and this assumes relatively greater significance when an application to enter a mark on the register is under consideration because no infringement action would lie against a proprietor upon registration of the relevant mark.”*

20. In *Indian Immunologicals*, after recording that the strength of the earlier trademark was weak because it was derived from the generic name Amoxicillin, I examined whether there is likelihood of deception and confusion on the part of the public. Because the trademark of the applicant for registration was being used only in relation to veterinary products and not products for human use, I allowed the appeal on condition that the appellant's use should be



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restricted to veterinary products. Here, the first respondent's products are admittedly being used for the treatment of dermatological conditions in human beings. The appellant's products are also being put to the same use. The appellant adopted and first used the trademark CANDID in 1978-79, which pre-dates use by the first respondent by about 20 years. Because Section 11 is intended to protect and promote public interest, the Registrar is required to examine whether there is likelihood of deception or confusion. The appellant pointed out that the first respondent failed to carry out a search of the register and that the appellant's mark would have been reflected in the register if such search had been carried out. This contention carries considerable merit. A person who fails to undertake due diligence cannot subsequently complain of prejudice due to use of the relevant trademark for several years.

21. Although the declaration of the appellant's trademark as a well known trademark was in 2013, which is subsequent to the date of application by the first respondent, such declaration is indicative



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of the widespread recognition of the appellant's trademark among the relevant section of the public. This, in my view, is a relevant consideration while examining whether there is likelihood of deception or confusion. In *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Limited* (2001) 5 SCC 73, the Hon'ble Supreme Court concluded that the risk of confusion and deception on the part of the public should be accorded highest importance in the context of pharmaceutical products.

22. By taking into account the following :(i) the adoption of the trademark CANDID by the appellant almost 20 years prior to the adoption of the trademark CANDEX-B by the first respondent; (ii) the use of both trademarks in relation to products intended for treatment of dermatological conditions in human beings;(iii) the extent of phonetic similarity between the two trademarks; and (iv), as a secondary factor, the subsequent declaration of the appellant's trademark as a well known mark, I conclude that there is likelihood of deception or confusion among the public.



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23. For reasons set out above, the conclusions in the impugned order, as set out in paragraph 13 above, are unsustainable even if the trademarks are compared as a whole. Consequently, the impugned order is set aside. As a corollary, the registration certificate relating to trademark No.749366 shall be cancelled and the entry relating thereto removed from the register of trademarks. These actions shall be completed within six weeks from the date of receipt of a copy of this order.

24. (T)CMA(TM) No.40 of 2023 is allowed on the above terms without any order as to costs.

**12.07.2024**

Index : Yes / No

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**SENTHILKUMAR RAMAMOORTHY,J**

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The Assistant Controller of Patents & Designs,  
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**Pre-delivery judgment made in  
(T)CMA(TM) No.40 of 2023**