

Bombay High Court Medley Laboratories (P) Ltd., ... vs Alkem Laboratories Limited on 2 May, 2002 Equivalent citations: 2002 (4) BomCR 70, 2002 (3) MhLj 546 Author: C Thakker Bench: C Thakker, S Radhakrishnan JUDGMENT C.K. Thakker, C.J. 1. This Appeal is instituted against an order passed by the learned Single Judge on December 21, 2001 in Notice of Motion No. 1790 of 2001. By the impugned Order, the learned Single Judge rejected the application for ad-interim relief filed by the appellants-applicants-plaintiffs. So far as the Motion was concerned, it was made returnable after six weeks, and was ordered to be placed on Board on its own turn. 2. The appellants are the original plaintiffs. Suit No. 2597 of 2001 was filed by the plaintiffs against the defendant for permanent injunction restraining the defendant from infringing their registered trade mark SPOXIN. It was the case of the plaintiffs that in April, 1984, plaintiff No. 1 applied for and obtained Trade Mark SPOXIN which was registered in Part A of the Register vide No. 420835 in respect of Pharmaceutical and Medicinal Preparations in Class 5. The Registration Certificate was issued, and was renewed from time to time. It was also the say of the plaintiffs that they started using the said Trade Mark SPOXIN, exercising control over the quality of the medicines and pharmaceutical preparations manufactured by them. The mark has been used by the plaintiffs for medicinal preparations containing the generic drug SPARFLOXACIN, and the product was used as an anti-bacterial drug and prescribed for treatment of respiratory track infections, urinary tract infections and skin and soft tissue infections. According to the plaintiffs, they were using the mark and were manufacturing drugs since September, 1999. 3. It is alleged by the plaintiffs that the defendant started selling pharmaceutical preparation under the mark SUPAXIN, which was 'deceptively similar to the plaintiffs' registered Trade Mark SPOXIN, and thereby they had committed acts of infringement and passing off by contravening the provisions of the Trade and Merchandise Marks Act, 1958 (hereinafter referred to as "the Act"). 4. Along with the plaint, a Notice of Motion No. 1790 of 2001, was also taken out by the plaintiffs restraining the defendant from using the mark SUPAXIN. Though served, the defendant did not appear and, hence, ex parte ad-interim order was passed in favour of the Plaintiffs by the learned Single judge. The defendant, thereafter, took out a Notice of Motion for setting aside ex parte ad-interim order. The said Notice of Motion was disposed of on December 11, 2001, but ad-interim order was continued till the plaintiffs application for ad-interim relief was heard afresh. 5. The case of the defendant was that it is an established Company with an annual turnover of Rs. 400 crores. It was the 10th largest Indian Pharmaceutical Company. It has a well established business, and enjoys large sales, In August, 1999, the defendant coined the Trade Mark SUPAXIN for its OFLOXACIN preparation by taking the prefix "SUPA", meaning superior, and combining it with suffix "XIN", which is the common suffix for antibiotics. It thus indicated superiority of the defendant's product over Ampicillin and other antibiotic preparations. The defendant applied for registration of the trade mark, and clearly indicated that it was "proposed to be used". An application under Rule 24 of the Trade and Merchandise Marks Rules, 1959 was made to the Registrar, requesting him to issue a search report

as to whether there were any conflicting marks registered or pending for registration. The mark SPOXIN was not deceptively similar to SUPAXIN, sought to be used by the defendant. The defendant, hence, started production under the mark SUPAXIN. 6. There was neither any dishonest intention on the part of the defendant in adopting mark SUPAXIN, nor had it committed any illegality. Mark SUPAXIN is neither 'deceptively similar', nor would it create any confusion to customers, and the plaintiffs were not entitled to any relief. 7. The learned Single Judge, after hearing the parties, did not think it fit to grant ad-interim relief, and by the order impugned in the present appeal, rejected the prayer. On Motion, notice was issued and was ordered to be placed on Board on its own turn. Against the said order, the present Appeal is filed by the appellants. 8. When the matter came up for admission hearing, and both the sides appeared, it was brought to the notice of the counsel that the order was ad-interim in nature. Both the counsel, however, prayed that ad-interim order may be treated as final order on Notice of Motion No. 1790 of 2001 refusing interim relief, and the present Appeal may be treated as an Appeal against the order passed in the Notice of Motion, and the Appeal be disposed of on that basis. Accordingly, we have proceeded on the footing that the order dated December 21, 2001 was an order passed on Notice of Motion No. 1790 of 2001. The Notice of Motion, therefore, will not survive. We, accordingly, granted time to the parties so as to enable them to argue the matter on Notice of Motion. 9. We have heard Dr. Tulzapurkar, senior advocate, appearing for the appellants and Mr. Ravi Kadam instructed by Mr. Mahadgut, Advocate, for the defendant. 10. Dr. Tulzapurkar, learned senior advocate, contended that the learned Single Judge has committed a serious error of law in refusing interim relief. It was submitted that considering the relevant provisions of the Act and the leading decisions on the point, it was clearly proved by the appellants that the defendant had committed infringement of a registered mark of the plaintiffs' Mark SUPAXIN adopted by the defendant was 'deceptively similar' to the registered mark SPOXIN of the plaintiffs. Interim injunction restraining the defendant from using mark SUPAXIN ought to have been granted. Counsel submitted that certain findings have been recorded, and adjudication has been made by the learned Single Judge. The findings are not in consonance with the provisions of the Act and settled legal position. Prima facie case was made out by the plaintiffs, inasmuch as the mark SPOXIN was registered in their favour. Balance of convenience obviously was with the plaintiffs, since rights got accrued in their favour because of registration of marks. Irreparable loss and injury would also be caused to them if interim relief is refused, as the suit will take a long time and in spite of registered trade mark, the defendant will continue to use 'deceptively similar' mark SUPAXIN. It was, therefore, submitted that the Appeal deserves to be allowed, and the order passed by the learned Single Judge is liable to be set aside by granting injunction, as prayed by the plaintiffs. 11. Mr. Kadam, on the other hand, supported the order passed by the learned Single Judge. He submitted that a discretionary order has been passed by the learned Single Judge refusing interim relief. Such an order is not ordinarily disturbed in appeal, and the Appellate Court will not interfere with it

unless it is based on principle. Considering the rival contentions of the parties, and recording reasons in support of the order, the learned Single Judge held that there was no prima facie case in favour of the plaintiffs. According to learned Single Judge, there was neither infringement of trade mark of the plaintiffs by the defendant nor the mark SUPAXIN was ‘deceptively similar’ to SPOXIN. Balance of convenience was not in favour of the plaintiffs, and irreparable loss or injury would be caused to them. As per the finding recorded by the trial Court, both, i.e., the plaintiffs and the defendant, entered the market with their respective marks almost simultaneously in January, 2000 and February, 2000, respectively. It was also submitted that the defendant established its bona fide by making necessary enquiry with the Registrar of Trade Marks. The defendant is also a very well-known and well-established company, having turnover of crores of rupees and is not a “fly-by-night” company, out to get undue advantage and benefit from the name of the plaintiffs’ mark. It was further submitted that nothing was produced on record by the plaintiffs about deceptive similarity and/or confusion in the mind of public at large. On the contrary, reading the affidavits filed by doctors and chemists, it was brought on record by the defendant that there was no likelihood of deception or confusion to doctors, or to chemists, or to patients. There is no material on record to show that the so-called confusion would result in unpleasant or fatal consequences. The case of the plaintiffs themselves was that both the medicinal preparations were for treatment of same/similar illness, and the plaintiffs would be estopped from contending now that taking one medicine instead of the other would result in fatal or unpleasant consequences. It was also argued that similar medicinal preparations were registered in accordance with the provisions of the Act, and, in fact, the plaintiffs had adopted ‘deceptively similar’ marks; such as SPORXIN, CYPOXIN, SYPOXIN. etc. The mark SUPAXIN of the defendant is altogether different from mark SPOXIN, and no grievance can be made by the plaintiffs against adoption of such mark by the defendant. 12. Apart from absence of prima facie case, balance of convenience is in favour of the defendant, and irreparable loss would be caused to the defendant, particularly when interim relief was not granted by the learned Single Judge by recording reasons. Hence, even if this Court is of the opinion that both the parties need be protected, at this stage, only action which is called for in the facts and circumstances is to pass an appropriate order directing the defendant to keep separate accounts of the profit earned by it, so that an appropriate direction can be given at the time of final disposal of the suit. It was, therefore, submitted that the Appeal deserves to be dismissed. 13. Having heard the learned counsel for the parties, in our opinion, the Appeal deserves to be allowed, and the order passed by the learned Single Judge should be set aside. As with the consent of parties, ad-interim order has been treated as final order on the Notice of Motion, we will proceed to consider the order passed by the learned Single Judge and the reasons recorded in support of the order as order and reasons in the Motion itself. 14. Now, it may be stated that the learned Single Judge did not grant interim relief as prayed by the plaintiffs, inter alia, on the grounds that – (i) The two marks SPOXIN and SUPAXIN are not phonetically similar;

- (ii) The packing of both the products is different;
 - (iii) They are not sold across the counter, but are prescribed drugs;
 - (iv) The explanation offered by the defendant for adoption of mark SUPAXIN is a plausible explanation,
 - (v) There is nothing on record to show that there was any confusion on the part of the cust
 - (vi) Both the parties entered the market almost simultaneously;
 - (vii) The suit was filed by the plaintiffs as late as in July, 2001;
 - (viii) The sale of the defendant was over 60 lacs per month - much more than that of the plaintiffs;
 - (ix) There is nothing on record to show that by administering the drug prescribed, if a wrong drug is given, there is likelihood of repercussion on health.
15. In our opinion, the learned counsel for the appellants is right in contending that once the plaintiffs' mark is registered, what was necessary for the plaintiffs to show was that the defendant has used a mark 'deceptively similar' to that of the plaintiffs. In view of registration of marks, the plaintiffs had an exclusive right to use the said mark "SPOXIN", and they were also entitled to prevent any other person from using an identical mark or a mark 'deceptively similar' to such mark.
 16. Inviting our attention to the term "deceptively similar" in Clause (d) of Sub-section (1) of Section 2 of the Act, the counsel contended that a mark can be said to be 'deceptively similar' to another mark, if such mark is likely to deceive or cause confusion. SUPAXIN, according to the learned counsel, is deceptively similar to SPOXIN, the registered mark of the plaintiffs. It is visually, phonetically and structurally very close to the appellants mark SPOXIN. Once the mark is identical or deceptively similar, the other factors, viz., the packing being different, number of tablets contained in the competing package is not the same, prices are not identical and/or the goods being sold on doctor's prescription are altogether irrelevant and immaterial.
 17. The learned Single Judge, in our opinion, was not right in placing reliance on affidavits of doctors and chemists and in observing that there was no evidence to health hazard. It was rightly submitted by Dr. Tulzapurkar that it was an additional factor, reason or ground which could be pleaded by the plaintiffs in their favour. In other words, it was an additional armour with the plaintiffs which they could have utilised if they were not in a position to prove the first ingredient.
 18. But even there, the learned Single Judge has committed an error in not properly applying well-established principles of law and particularly the latest judgment of the Supreme Court in Cadila Health Care Ltd. v.

Cadila Pharmaceuticals Ltd., , though the said judgment has been referred to in the order. The learned Single Judge was also not right in giving undue importance to the fact that the drug in question was a Scheduled Drug and that it can be sold only on prescription of a doctor. Judicial notice has been taken by this Court as well as by the Supreme Court that realities of life cannot be ignored by the Courts in dealing with such matters, and there is every likelihood of committing mistake not only by customers but also by chemists and doctors. It is a known fact that names of medicines are given on telephone and medicines are purchased on that basis. In the circumstances, there is probability, and in any case possibility, that a wrong medicine may be sold by a chemist which may have fatal or adverse effect on a patient. Had all these facts were appreciated in their proper perspective, the learned Single Judge would have granted injunction against the defendant.

19. The suit is still pending. We will, therefore, not enter into larger questions. In the facts and circumstances of the case, however, in our opinion, the learned Single Judge was not right in refusing interim relief to the plaintiffs/appellants.
20. Our attention was invited by the learned counsel for the parties to several decisions of the Supreme Court as well as of this Court in support of their rival contentions. We will refer to relevant de'cisions.
21. According to Dr. Tulzapurkar, in a recent case, Cadila Health Care Ltd., the Supreme Court had an occasion to deal with a similar question, and that, too, in respect of scheduled drug, at an interlocutory stage. Both the companies in that case were manufacturing various pharmaceutical products. The plaintiff filed a suit against the defendant for injunction restraining the opposite party from using the brand "Falcitab", which was similar to the drug manufactured by the plaintiff under its brand "Falcigo", which was a mark registered under the Act. Both the drugs were used for the treatment of Falcipharum Malaria. According to the plaintiff, mark "Falcitab" would result in passing off as appellant's drug "Falcigo" for the treatment of the said disease, due to confusing similarity and deception in the name. The case of the defendant company was that the word 'Falci', which was prefixed to the mark 'tab', was taken from the name of the disease Falcipharum Malaria, which was a common practice in pharmaceutical drugs to use part of the word of the disease as a trade mark to indicate to doctors and chemists that a particular drug is meant for a particular disease. It was also pleaded that both the products in question were Scheduled 'L' Drugs, which would be sold only to hospitals and clinics, and as such, there could not even be a remote chance of confusion or deception. The trial Court dismissed the application for interim injunction, and the said order was confirmed by the High Court. The aggrieved plaintiff approached the Supreme Court.
22. Allowing the Appeal and setting aside the orders passed by the Courts below, the Apex Court held that what was to be seen in the case of passing off action is the similarity between the competing marks and to

determine whether there is likelihood of deception or causing confusion. Referring to *S. M. Dyechem Ltd. v. Cadbury (India) Ltd.*, AIR 2000 SC 2114 and overruling it, the Court held that the test that dissimilarity in essential features is more important than similarity is not proper and correct. Referring to several English, American and Indian cases on the point, it was observed that the Court must be careful to make allowance for imperfect recollection and the effect of careless pronunciation and speech on the part of persons seeking to buy under the trade description, as also shop-keepers ministering to personal wants. "It is important that the marks must be compared as wholes. It is not right to take a portion of the word and say that because that portion of the word differs from the corresponding portion of the word in the other case there is no sufficient similarity to cause confusion. The true test is whether the totality of the proposed trade mark is such that it is likely to cause deception or confusion or mistake in the minds of persons accustomed to the existing trade mark."

23. The Court then proceeded to discuss about medicinal products and drugs. It was observed that the drugs have a marked difference in the compositions with completely different side effects. The test of possibility, therefore, should be applied in such cases whether any harm would result from confusion by the customer which may have unpleasant, if not disastrous results. It was also observed that the Court should be particularly vigilant whether the defendant's drug is meant for curing the same ailment as plaintiff's medicine, but the compositions are different. The confusion is more likely in such cases and the incorrect intake of medicine may even result in loss of life or other serious health hazards.
24. In that case also, it was argued that the fact that the drug was Scheduled Drug or could be sold only under prescription or only to physicians, could not, by itself, be considered sufficient protection against confusion. The physicians and pharmacists are trained people but are not infallible. It was stated : "In view of the varying infrastructure for supervision of physicians and pharmacists of medical profession in our country due to linguistic, urban, semi-urban and rural divide across the country and with high degree of possibility of even accidental negligence, strict measures to prevent any confusion arising from similarity of marks among medicines are required to be taken."
25. The Court referred to the following observations in *R. J. Strassenburgh Co. v. Kenwood Laboratories, INC.*, 1955, 106 UPSQ 379 :- "The defendant concedes that physicians and pharmacists are not infallible but urges that the members of these professions are carefully trained to detect differences in the characteristics of pharmaceutical products. While this is doubtless true it does not open the door to the adoption by manufacturers of medicines of trade marks or names which would be confusingly similar to anyone not exercising such great care. For physicians and pharmacists are humans and in common with the rest of mankind are subject to human frailties. In the field of medicinal remedies the Courts may not speculate

to whether there is a probability of confusion between similar names. If there is any possibility of such confusion in the cases of medicines public policy requires that the use of the confusingly similar name be enjoined [See *Lambert Pharmacol Ltd. v. Bolton Chemical Corporation*, DCNY 1915, 219 F. 325, 326].”

26. Taking into account public interest element in case of medical preparations, it was stated : “Public interest would support lesser degree of proof showing confusing similarity in the case of trade mark in respect of medicinal product as against other non-medicinal products. Drugs are poisons, not sweets. Confusion between medicinal products may, therefore, be life threatening, not merely inconvenient. Nothing (sic) 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.”
27. According to the Supreme Court, therefore, a stricter approach should be adopted while applying the test to judge the possibility of confusion of one medicinal product for another by a consumer. Confusion in the case of non-medicinal product may only cause economic loss to the consumer. Confusion between two medicinal products may have disastrous effect on health, and in some cases, on life. Hence, in medicinal preparations, much more care should be taken and the Court must be circumspect in dealing with the matters and in making appropriate orders.
28. The case of the appellants is that suffix ‘XIN’ being common to both the drugs, there is likelihood of confusion. The mark of the plaintiffs is registered, and, hence, it has statutory protection. It relates to a medicinal preparation. In the circumstances, in our opinion, the test of ‘possibility’ laid down in *Cadila Health Care Ltd.* would apply. Applying the said test, there is likelihood, or in any case, possibility of consumer being confused, and the plaintiffs were entitled to interim injunction. Moreover, SPOXIN and SUPAXIN are visually, phonetically and structurally similar. No doubt, both the drugs are sold under prescription, but that fact alone is not sufficient to prevent confusion which is likely to arise.
29. We are also impressed by the argument of the learned counsel for the appellants that in such cases, it is not necessary that there should be actual evidence of confusion : Likelihood (and even possibility) is sufficient. The following observations of Parker, J. in *Re Pianotist Co.’s Application*, (1906) 23 RPC 774, which have been quoted in various decisions, including *Cadila Health Care Ltd.*, read thus :— “You must take the two words. You must judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances; and you must

further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks.”

30. Mr. Kadam, no doubt, urged that the mark SUPAXIN has been honestly adopted and used by the respondent. In fact, his contention is that mark SPOXIN was similar to the marks registered in favour of other companies, such as SPORXIN, ZEPOXIN, as also some marks which are pending for registration such as DEPOXIN, FOXIN, CIPOXIN, SYPROXIN, SYOXIN etc. When no material was placed on record regarding confusion on behalf of the plaintiffs, and on the contrary, there are affidavits of doctors as well as pharmacists that there is no likelihood of confusion even if a patient is intimated to take a particular drug on telephone, no inference can be drawn that there was likelihood or possibility of confusion, which would result in disastrous consequences or adverse effect. It was also not the case of the plaintiffs in the plaint, nor in the Notice of Motion, that such confusion would result in adverse effect on the customer. If, in the light of that fact, discretion has not been exercised by the learned Single Judge in favour of the plaintiffs and reasons have been recorded in support of such order, it does not require interference, as the Appeal is not filed on principle. When there was no allegation about unpleasant or fatal consequence, the appellants would be estopped from raising such point at the hearing of the Appeal.
31. Mr. Kadam, in this connection, referred to *Corn Products Refining Co. v. Shangrila Food Products Ltd.*, ; *F. Hoffman-La Roche & Co. Ltd. v. Geoffrey Manner & Co. Pvt. Ltd.*, ; *Wander Ltd. v. Antox India (P) Ltd.*, (1990) Supp. SCC 727 and *N. R. Dongre v. Whirlpool Corporation*, , and urged that often the test of deceptive similarity is of impression to the ‘eye’ and ‘ear’ of the Judge hearing the matter at the first instance and when on comparison of two marks, the learned Single Judge recorded a finding that they are not ‘deceptively similar’ and there is no likelihood of confusion, the same may be given due weight.
32. The principle that normally, in discretionary matters, an Appellate Court will not interfere with the order passed by the trial Court is well settled. At the same time, however, when an adjudication has been made, may be *prima facie*, and in doing so, correct test has not been applied, it is open to the Appellate Court to interfere with the discretionary order made by the trial Court. In the instant case, correct test is ‘possibility’ of confusion and not actual confusion which should have been brought on record by placing necessary material. The point is finally set at rest in *Cadila Health Care Ltd.* and, hence, the order passed by the learned Single Judge cannot be sustained.
33. In our opinion, however, when the test is ‘possibility’ of confusion in medicinal preparations, as held by the Supreme Court in *Cadila Health Care Ltd.*, and the Courts have been asked by the Apex Court to take special care, in such cases, since confusion may harm and result in unpleasant consequences, if not disastrous results, the learned Single Judge ought

to have granted injunction as prayed by the plaintiffs. Since the learned Single Judge has, prima facie, recorded findings which can be said to be adjudicatory in nature, and by taking the view that there was no likelihood of confusion on the part of customers or repercussion on health as the drugs are available only on doctor's prescription, and a wrong test was applied, the appellants are right in contending that the decision deserves interference.

34. For the foregoing reasons, in our opinion, the Appeal deserves to be allowed, and is, accordingly, allowed; the order passed by the learned Single Judge in Notice of Motion No. 1790 of 2001 in Suit No. 2597 of 2001 is hereby set aside and injunction as prayed by the appellants/plaintiffs in Notice of Motion No. 1790 of 2001 in terms of prayer (a) deserves to be granted, and is, accordingly, granted. In the facts and circumstances, however, there shall be no order as to costs.