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Evolving Judicial Interpretation in Pharmaceutical Industry for Trademarks

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Since the pharmaceutical industry is directly related to the health and safety of a person so trademark plays an important role to differentiate one product from another thus avoiding names related errors, The effect of any mistake or error in the names of the medicine due to phonetical similarity or similarity in the name, packaging or trade dress may be disastrous to human health and safety. Hence, at the time of adjudicating cases relating to trademark infringement in the pharmaceutical sector, the courts adopt a stricter approach. Even the tiniest confusion or deception relating to deceptive similar marks are taken into account by Courts as it can lead to disastrous effects on public health. The Indian courts through their numerous judicial precedents have time and again laid down several guiding principles while dealing with infringement-related cases of the trademark under class 05 which includes Pharmaceutical, veterinary, and sanitary preparations; dietetic substances adapted for medical use, food for babies; plasters, materials for dressings; materials for stopping teeth, dental wax; disinfectants; preparation for destroying vermin; fungicides, herbicides.

Keywords: *pharmaceutical, trademark, medicines.*

INTRODUCTION

Trademark Infringement in the pharmaceutical sector is increasing at a very rapid pace. A medicine name cannot be trademarked as its generic or chemical name as the same will be liable to be refused u/s 13 of the Trademarks Act, 1999¹. Hence, It is a general practice in the pharmaceutical sector to name the drug from the salt composition, drug's treatment, or any other related medical term, thus lacking distinctiveness and increasing the number of infringement cases. Since Pharmaceuticals trademarks are linked to public health, they are comparatively more important than other classes of trademarks. Class 05 of the Trademarks Act deals with Pharmaceutical related products.

WHAT IS A PHARMACEUTICAL TRADEMARK?

Pharmaceutical trademarks are marked that enable consumers to identify trustworthy and best-quality products. They are used to differentiate goods provided by different companies and can be a mark, word, design, phrase, or a combination of these items. Pharmaceutical trademarks enable healthcare professionals to choose the right drug from the many drugs available and also allow patients to differentiate between the drugs available and the drug they want to use.

BENEFITS OF TRADEMARK IN THE PHARMA SECTOR

A few benefits of acquiring trademarks in the Pharma sector are:

Allow the drug Manufacturers to keep a check on their Products - Registering a Trademark enables the drug manufacturers to keep track of the safety of their products. Based on the common drug name it would be very difficult for the manufacturers to trace the performance of their products based on reports thus increasing the cost.

Manufacturers are legally protected - As the pharmaceutical industry is blooming with high competition, it is important for the manufacturers that their product is registered which

¹ Trademarks Act 1999, s 13

safeguard their products from duplicity or unauthorised use by the infringer and hence ensures them legal protection for their marks.

Enabling medical professionals to Prevent Medical Errors - Due to resembling and similar generic names available in the market, even it becomes difficult to remember or spell all names correctly, thus practising medical professionals ensure correct medication by giving unique trademarks to different products available in the market.

Letting consumers choose suitable medications - Pharmaceutical Trademarks enable consumers to find their suitable products amongst the several other similar products available in the market. Often consumers are loyal towards a particular brand due to efficacy, thus registering a brand enables consumers to find their desired product easily.

Provides insights into Company reputation - Pharmaceuticals trademarks are important as it enables the company to build the reputation of their product by assigning a different and unique name to their composition which in turn eases the customers to find their suitable product and be loyal towards a brand they trust. With each brand name, a company's goodwill and reputation is also associated, which provides insights about the product to its consumer easily.

CONTRADICTION BETWEEN- ANTI DISSECTION RULE AND DOMINANT MARK TEST

Anti-Dissection rule - It is a trademark law theory that states two conflicting marks must be compared in their entirety and the way they are perceived by the consumers in the marketplace rather than analysing each mark separately. The spirit of this rule has been captured in Sections 15² and 17³ of The Trademarks Act, 1999 - *Kaviraj Pandit Durga Dutt Sharma v Navratna Pharmaceuticals*.⁴

Dominant mark test - Judiciary has propounded the dominant feature rule which means even by using one or more of the essential features of a mark, the said mark can be infringed by

² Trademarks Act 1999, s 15

³ Trademarks Act 1999, s 17

⁴ *Kaviraj Pandit Durga Dutt Sharma v Navratna Pharmaceuticals* 1965 SCR (1) 737

another trader. It is based on the principle that a normal consumer only retains the dominant part of a mark - *Mankind Pharma Ltd. v Novakind Biosciences Private Limited*.

At the same time, the courts through their judicial decision also recognised that the rule of anti-dissection is not in contradiction with the rule of Dominant feature (*Stiefel Laboratories v Ajanta Pharma Ltd.*)⁵

PRIOR USER OVERPOWERED PRIOR REGISTERED MARK

*Neon Laboratories Ltd. V Medical Technologies Ltd & Others.*⁶

A trademark application was filed by the appellant in 1992, and the trademark "ROFOL" was granted in 2001. However, till 2004 the product was not used by them in the open market. On the other hand, the drug "PROFIL was introduced by the respondent in 1998" Due to this, the respondent had a prior usage benefit, and the appellant had a prior registration. The case was in favour of the Respondent as they had earned substantial goodwill in that period because they had already begun their production and distribution. Because of this Trademark, "ROFOL" was under injunction. The balance of convenience and substantial damages and loss factor of temporary injunction favoured the respondent.

For the Production of Substandard Drugs, all Directors of Pharma Company will be held Liable

*Vikas Rambal and Others v The State*⁷: The Madras HC stated that "All Directors of Pharma Company liable for the production of Substandard drugs all pharma Company directors shall be held liable. Since the decision to manufacture is a collective decision of all directors thus all of them shall be held liable. The Directors could not rely on this mere contention that they were not involved in the production of drugs."⁸

⁵ *Stiefel Laboratories v Ajanta Pharma Ltd* Civil Suit (Original Side) No. 2373/2013

⁶ *Neon Laboratories Ltd. v Medical Technologies Ltd & Ors* Civil Appeal No. 1018/ 2006

⁷ *Vikas Rambal and Others v The State* (2022) SCC OnLine Mad 4822

⁸ *Ibid*

Scribbled Prescriptions of Doctors, Busy Pharmacists, and Uneducated Consumers are not Immune from Mistakes

R.J Strassenburgh Company v Kenwood laboratories: As noted in the case of **Morgenstern Chemical Companys (Supra)** “It has been held that physicians are not immune from confusion or mistake, Furthermore, it is common knowledge that many prescriptions are handwritten or telephoned to the pharmacists and frequently handwritings are not unmistakably legible. These facts enhance the chances of confusion or mistake by the pharmacists in filling the prescription if the marks appear too much similar when handwritten or sound too much alike when pronounced” .

Lavroma Case, Tokalon Ltd. v Davidson and Co., 32 Rpc 133 at p. 136 Lord Johnson said “....we are not bound to scan the words as we would in a question of comparative literary. It is not a matter of microscopic inspection, but to be taken from the general and even casual point of view of a customer walking into a shop.”

The recent case published in a newspaper dated 2nd May 2011 stating “**CHEMIST HANDS OUT WRONG DRUG-KILLS 65-YEAR-OLD ABDUL GAFFER KHAN**” is a strong case showing that the chances of confusion and deception are unavoidable, especially in a multi-linguistic country like India.

Stringent Measures should be Adopted for the Similarity of Marks in Medicines as any confusion may be Fatal or Disastrous and can have dire effects on Public Health

*Cadila Healthcare Ltd. v Cadila Pharmaceuticals*⁹The landmark case relating to the passing off of an unregistered Trademark. For determining deceptive similarity some of the important factors were determined in this case:

- The nature of marks;
- How much phonetic and visual similarity is there between the competing marks?
- Type of goods;

⁹ *Cadila Healthcare Ltd. V Cadila Pharmaceuticals* (2001) SC 1952

- The geographical area in which the goods are intended to be used;
- The similarity in the performance, efficacy, and nature of the product;
- The end target user of the product.
- The intellect of the target consumers and the required care that needs to be taken.

In this case page no. 1952 Hon'ble Supreme Court stated that stringent measures are to take to avoid any confusion from the similarity of marks in medicines. Public policy requires that in case of the possibility of confusion the use of confusingly similar marks be enjoined. (Para 28 of the judgement) In the same judgement, SC held that "drugs are positions, not sweets. Confusion in medical names is not merely inconvenient but it may be life-threatening." Stringent measures should be adopted as any confusion may be fatal or disastrous and can have dire effects on public health. (Para 27 of the judgement)

JURISDICTION OF COURT IN RECTIFICATION PROCEEDINGS-

Filing of rectification proceedings to IPAB without leave of court u/s 124(1)(b)(ii) of The Trademarks Act, 1999 is an abuse of the process of law.

*United Biotech Pvt. Ltd. v Orchid Chemicals & Pharmaceuticals Ltd. & Ors.*¹⁰

Prohibited Advertisements to Stop Self-Medication and Treatments: The Supreme Court in the case of *Hamdard Dawakhana (WAKF) Lalkuan, Delhi v Union of India*¹¹ cited that an advertisement comes under the ambit of freedom of speech but it depends on the object of the promotion that for what motive it is intended to be advertised, thus not all advertisements can be allowed, and the publication of restricted drugs was prohibited to curb and avoid self-medication and treatments.

Even if the Colour, Packaging, or Shape of Medicine is deliberately Deceptive or Similar but Infringement is decided by the Name of the Medicine: In the case of *Cipla Limited V M.K Pharmaceuticals* Plaintiff filed a suit against the Defendant for infringement of the Trademark

¹⁰ *United Biotech Pvt. Ltd. V Orchid Chemicals & Pharmaceuticals Ltd. & Ors* Writ Petition (Civil) No. 8198/2008

¹¹ *Hamdard Dawakhana (WAKF) Lalkuan, Delhi v Union of India* (1960) SCR (2) 671

“NORFLOXACIN” stating that the defendant has with deliberate intent replicated the Plaintiff said product shape, packaging and colour in the Defendant product “NORFLOX-400” and not for the deceptive similarity in the name. The Court in this case stated that nobody can claim exclusive right over the colour or shape of the medicine as medicines are generally round or oval in shape and are often in blister packaging only and customers only ask for the medicine by their name rather than the colour or shape of the medicine. Thus, in this case, Plaintiff was not granted the injunction.

The Prescription given by the Doctors are of the Least Importance when Drugs that are Listed in Schedule ‘H’ are being sold over the Counter without the Prescriptions of the Doctor, but Schedule ‘H’ Drugs are given importance in situations where the Packaging of the Products are not Similar: In the case of *Astra-IDL v TTK Pharma Limited*, defendant contended that only the chemist with the appropriate license can sell the product of the defendant since it falls under the schedule ‘H’ drugs. Thus, there is no probability of confusion. The court, in this case, held that since the colour scheme, blister packaging and the carton of the product of the defendant are identical along with the name being deceptively similar to the plaintiff, the contention of the defendant that the said drug needed a doctor’s prescription was not acceptable.

Nobody can claim Monopoly over the Common Generic Word in Pharmaceuticals: In the case of *Kaviraj Pandit Durga Dutt Sharma v Navaratna Pharmaceuticals Laboratories*,¹² an original petition along with an appeal against the decision of the District Court was filed in the High Court by the Appellant stating that the word ‘NAVRATNA’ is a common generic word in Ayurveda treatment thus the trademark of the Appellant ‘NAVRATNAKALPA’ cannot be restrained from using stating infringement of the Respondent registered marks ‘NAVRATNA’ and ‘NAVRATNA PHARMACEUTICALS LABORATORIES’. The Court held that no monopoly can be claimed over general words used in pharmaceuticals by Plaintiff.

CONCLUSION

¹² *Kaviraj Pandit Durga Dutt Sharma v Navaratna Pharmaceuticals Laboratories* (1965) SC 980

In Trademark infringement cases, based on the decision of the Registrar, the Intellectual Property Appellate Tribunal has the power to adjudicate matters in an appeal from the orders passed by the Registrar. No court inferior to District Court has the power to try and adjudicate trademark infringement cases. High Court has the power to adjudicate cases on appeal of the judgements passed by District Courts. The limitation for filing an infringement suit is three years from the date of infringement. The pharmaceuticals brands owners must do thorough trademark searches both in the registry and physical market to avoid trademark conflict. Even the tiniest confusion or deception relating to deceptive similar marks has been taken into account by Courts as it can lead to disastrous effects on public health. Thus, it is clear from the above cases that Indian Courts takes an impartial decision based on the merits of every case.