

A MILMENT OFTHO INDUSTRIES AND ORS.

v.

ALLERGAN INC.

MAY 7, 2004

B

[S.N. VARIAVA AND H.K. SEMA, JJ.]

C *Food and Drug Control—Respondent Company manufacturing pharmaceutical products in several countries—Suit for passing off in respect of mark ‘OCUFLOX’ against Indian Company claiming to be the first user of the mark—Grant of interim injunction—However vacated later on the ground that Indian company was the first one to introduce the product—Division Bench of High Court holding that the company filing suit being first in the market entitled to injunction—On appeal, Held : As it is not clear with regard to the first user of the mark, matter to be examined on evidence and remitted to trial court—If found that company filing suit had adopted the mark prior to its use by the Indian Company, then entitled to injunction and if not, injunction to be vacated and Indian Company would be entitled to damages.*

E

**Respondent-pharmaceutical company has been manufacturing and marketing pharmaceutical products in several countries. They filed suit for passing off in respect of mark “OCUFLOX” used on a medicinal preparation for eye care product against the appellant-Indian pharmaceutical company. They claimed to be the first user of**

F

**this mark in several countries since 1992 and their applications for registration of the mark in several other countries including India were pending. Appellants were selling “OCUFLOX” on a medicinal preparation used for the treatment of the eye and the ear and their application for registration of the mark OCUFLOX filed in 1993 is**

G

**pending. The Court granted *ad interim* injunction to the respondents, which was later vacated on the ground that the respondents’ product was not being sold in India and the appellants were the first one to introduce the product in India. Respondents filed an appeal. High Court allowed the appeal holding that the respondents were first in the**

H

**market, thus entitled to injunction. Hence the present appeal.**

## Disposing of the appeal, the Court

A

**HELD : 1.1.** Whilst considering the possibility of likelihood of deception or confusion, particularly in the field of medicines which nowadays is of an international character, Court has to keep in mind the possibility that with the passage of time, some conflict may occur between the use of the mark by the applicant in India and the user by the overseas company. If a mark in respect of a drug is associated with the respondents worldwide and an identical mark in respect of a similar drug is allowed to be sold in India it would lead to an anomalous situation. However one note of caution must be expressed. The Court must ensure that public interest is in no way imperiled. Further, the multinational corporations, who have no intention of coming to India of introducing their product in India should not be allowed to throttle an Indian Company by not permitting it to sell product in India, if the Indian Company has genuinely adopted the mark and developed the product and is first in the market. The ultimate test should be who is first in the market. [591-D-E; 591-G-H]

B

C

D

**1.2.** In the instant case, the marks in respect of pharmaceutical products are the same. The mere fact that the respondents have not been using the mark in India would be irrelevant if they were first in the world market. The Division Bench of High Court had relied upon material which *prima-facie* shows that the respondents' product was advertised before the appellants entered the field and concluded that the respondents were first to adopt the mark. If that be so then no fault can be found with the conclusion drawn by the Division Bench. According to the appellants, the respondents were not the first to use the mark and there was no proof that the respondents had adopted the mark and used the mark before the appellants started using the mark in India. Therefore, the matter requires to be examined on evidence and is remitted to the trial court. However, injunction order is continued. Further if on evidence it is found that the respondents had adopted the mark prior to the appellants doing so, they would be entitled to an injunction and if not so then, the trial court would vacate the injunction and the appellants would be entitled to damages. [592-B-C; 592-D-F]

E

F

G

A 300 SC, relied on.

*N.R. Dongre v. Whirlpool Corporation*, (1996) 16 PTC 583, referred to.

B CIVIL APPELLATE JURISDICTION : Civil Appeal No. 5791 of 1998.

From the Judgment and Order dated 6.11.97 of the Calcutta High Court in A.P.O. No. 78/97, G.A. No. 3907, C.S. No. 349/96.

C Joseph Pookkatt and Prashant Kumar for the Appellants.

C.M. Lall, Ms. Shikha Sachdev, Navin Chawla and Nitesh Rana for the Respondent.

D The Judgment of the Court was delivered by

S.N. VARIAVA, J. : This Appeal is against the Judgment of the Calcutta High Court dated 6th November, 1997.

E Briefly stated the facts are as follows:

The Appellants are an Indian Pharmaceutical company. The Respondents are also a Pharmaceutical company which manufacture pharmaceutical products in several countries. The Respondents filed a Suit for an injunction based on an action for passing off in respect of mark "OCUFLOX" used on a medicinal preparation manufactured and marketed by the Respondents. The Respondents claimed that they were the prior users of the mark OCUFLOX in respect of an eye care product containing Ofloxacin and other compounds. They claimed that they first used this Mark on 9th September, 1992, after which they marketed the product in other countries like Europe, Australia, South Africa and South America and that they had obtained registration in Australia, Bolivia, Ecuador, Mexico, Peru, South Africa, Canada and the United States of America. They claimed that they had also applied for registration of the mark in several other countries including India and that their applications were pending.

H The Appellants were selling "OCUFLOX" on a medicinal preparation

containing CIPROFLOXACIN HCL to be used for the treatment of the eye and the ear. They claim that they coined the word "OCUFLOX" by taking the prefix "OCU" from "OCULAR" and "FLOX" from "CIPROFLOXACIN" which is the basic constituent of their product. The Appellants were granted registration by the Food and Drug Control Administration on 25th August, 1993. They have also applied for registration of the mark OCUFLOX in September 1993. Their application is also pending.

On 18th December, 1996 the Respondents got an ad interim injunction. This injunction however was vacated on 29th January, 1997. The single Judge held that the Respondents' product was not being sold in India and the Appellants having introduced the product first in India, the Respondents were not entitled to an injunction.

The Appeal filed by the Respondents had been allowed by the impugned Judgment. The impugned Judgment has taken note of the law laid down by this Court. It has been held that the Respondents were first in the market and therefore they were entitled to an injunction.

The law on the subject is well settled by a number of decisions. It is not necessary to set out all those decisions. It would suffice to refer to only two decisions.

In the case of *N. R. Dongre v. Whirlpool Corporation* reported in 1996 (16) PTC 583, the Appellants got registered the mark "Whirlpool" in respect of washing machines. The Whirlpool Corporation filed a suit for passing off action brought by the Respondents to restrain the Appellants from manufacturing, selling, advertising or in any way using the trade mark "Whirlpool" of their product. It was held that the passing off an action was maintainable in law even against the registered owner of the trademark. It was held that the name of "Whirlpool" was associated for long with the Whirlpool Corporation and that its trans-border reputation extended to India. It was held that the mark "Whirlpool" gave an indication of the origin of the goods as emanating from or relating to the Whirlpool Corporation. It was held that an injunction was a relief in equity and was based on equitable principles. It was held that the equity required that an injunction be granted in favour of the Whirlpool Corporation. It was held that the

A refusal of an injunction could cause irreparable injury to the reputation of the Whirlpool Corporation, whereas grant of an injunction would cause no significant injury to the Appellants who could sell their washing machines merely by removing a small label bearing the name “Whirlpool”.

B In the case of *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.* reported in 2001 PTC 300 (SC), the question was whether the mark “Falicigo” and “Falcitab” were deceptively similar. The trial Court refused interim injunction. The Appeal was also dismissed. This Court did not interfere on the ground that the matter required evidence on merits but laid down principles on which such cases were required to be decided. This Court held that in a passing off action for deciding the question of deceptive similarity the following facts had to be taken into consideration:

D “a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks, i.e. both words and label works.

b) The degree of resemblance between the marks, phonetically similar and hence similar in idea.

E c) The nature of the goods in respect of which they are used as trade marks.

d) The similarity in the nature, character and performance of the goods of the rival traders.

F e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.

G f) The mode of purchasing the goods or placing orders for the goods, and

g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks.”

H In respect of medicinal products it was held that exacting judicial scrutiny

is required if there was a possibility of confusion over marks on medicinal products because the potential harm may be far more dire than that in confusion over ordinary consumer products. It was held that even though certain products may not be sold across the counter, nevertheless it was not uncommon that because of lack of competence or otherwise that mistakes arise specially where the trade marks are deceptively similar. It was held that confusion and mistakes could arise even for prescription drugs where the similar goods are marketed under marks which looked alike and sound alike. It was held that physicians are not immune from confusion or mistake. It was held that it was common knowledge that many prescriptions are telephoned to the pharmacists and others are handwritten, and frequently the handwriting is not legible. It was held that these facts enhance the chances of confusion or mistake by the pharmacists in filling the prescription if the marks appear too much alike.

We are in full agreement with what has been laid down by this Court. Whilst considering the possibility of likelihood of deception or confusion, in present times and particularly in the field of medicines, the Courts must also keep in mind the fact that nowadays the field of medicine is of an international character. The Court has to keep in mind the possibility that with the passage of time, some conflict may occur between the use of the mark by the Applicant in India and the user by the overseas company. The Court must ensure that public interest is in no way imperiled. Doctors particularly eminent doctors, medical practitioners and persons or Companies connected with medical field keep abreast of latest developments in medicine and preparations worldwide. Medical literature is freely available in this country. Doctors, medical practitioners and persons connected with the medical field regularly attend medical conferences, symposiums, lectures etc. It must also be remembered that nowadays goods are widely advertised in newspapers, periodicals, magazines and other media which is available in the country. This results in a product acquiring a worldwide reputation. Thus, if a mark in respect of a drug is associated with the Respondents worldwide it would lead to an anomalous situation if an identical mark in respect of a similar drug is allowed to be sold in India. However one note of caution must be expressed. Multinational corporations, who have no intention of coming to India or introducing their product in India should not be allowed to throttle an Indian Company by not permitting it to sell a product in India, if the Indian Company has genuinely

A adopted the mark and developed the product and is first in the market. Thus the ultimate test should be who is first in the market.

B In the present case, the marks are the same. They are in respect of pharmaceutical products. The mere fact that the Respondents have not been using the mark in India would be irrelevant if they were first in the world market. The Division Bench had relied upon material which *prima facie* shows that the Respondents product was advertised before the Appellants entered the field. On the basis of that material the Division Bench has concluded that the Respondents were first to adopt the mark. If that be so then no fault can be found with the conclusion drawn by the Division Bench.

C However, it was submitted on behalf of the Appellants that the Respondents were not the first to use the mark. It was submitted that there was no proof that the Respondents had adopted the mark and used the mark before the Appellants started using the mark in India. In our view, these are matters which would require examination on evidence. Considering the fact that for all these years, because of the injunction Order, the Appellants have sold their product under some other name, the balance of convenience is that the injunction order be continued and the hearing of the Suit be expedited. If on evidence it is proved that the Respondents had adopted the mark prior to the Appellants doing so, on the settled law, then the Respondents would become entitled to an injunction. However, if on evidence it is shown that the Respondents had not adopted the mark prior to its use in India by the Appellants then, undoubtedly, the trial Court would vacate the injunction. The trial Court would undoubtedly then assess the damage which Appellants have suffered for having wrongly not been allowed to use the mark for all these years.

G With these directions, the Appeal stands disposed of. There will be no order as to costs. The Suit stands expedited. The trial Court is requested to dispose of the Suit as early as possible and in any case within a period of 6 months from today.