MANU/DE/9425/2006

Equivalent Citation: 136(2007)DLT200, 2007(34)PTC18(Del)

IN THE HIGH COURT OF DELHI

IAs. 9988/06 and 10893/06 in CS(OS) No. 1724/06

Decided On: 04.10.2006

Appellants: **Kalindi Medicure Pvt. Ltd.**
Vs.
Respondent: **Intas Pharmaceuticals Ltd. and Anr.**

Hon'ble Judges/Coram:
Pradeep Nandrajog, J.

Counsels:
For Appellant/Petitioner/plaintiff: Man Mohan, Sr. Adv., Binny Kalra and Ishan Sahiwal, Advs

For Respondents/Defendant: Rajiv Nayyar, Sr. Adv., Pratibha M. Singh and Bijal Chhatrapathi, Advs.

Subject: Intellectual Property Rights

Acts/Rules/Orders:
Trade and Merchandise Act, 1958; Drugs and Cosmetics Act, 1940; Trade Marks Act, 1999; Code of Civil Procedure (CPC) - Order 1 Rule 10, Code of Civil Procedure (CPC) - Order 39 Rule 1, Code of Civil Procedure (CPC) - Order 39 Rule 2, Code of Civil Procedure (CPC) - Order 39 Rule 3, Code of Civil Procedure (CPC) - Order 39 Rule 4

Cases Referred:
Milment Oftho Industries and Ors. v. Allargon Inc. 2004 (28) PTC 585 SC; Pfizer Ireland Pharmaceuticals v. Intas Pharmaceuticals and Anr. 2004 (28) PTC 456 Del.; Medley Laboratories Pvt. Ltd. v. Alken Laboratories Ltd. 2002 (254) PTC 592 Bom.; Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd. AIR 2001 SC 1952 : 2001 PTC 300 (SC); S.M. Dyechem Ltd. v. Cadbury (India) Ltd. AIR 2000 SC 2114 : (2000) 5 SCC 573; Wander Ltd. and Anr. v. Antox India Pvt. Ltd. 1990 (Supp.) SCC 727; Mahendra & Mahendra Paper Mills Ltd v. Mahindra & Mahindra (1995) 1 AD Delhi 319;Pfizer Products Inc. v. B.L. & Co. 2002 (25) PTC 262 (Delhi); Syncom Formulations India Ltd. v. SAS Pharmaceuticals 2004 (v) A.D. (Delhi) 146; National Sewing Thread Co. Ltd. Chidambaram v. James Chadwick & Bros. Ltd. AIR 1953 SC 357; Corn Products Refining Co. v. Shangrila Food Products Ltd. 1960 (1) SCR 968; Amritdhara Pharmacy v. Satya Deo AIR 1963 SC 449; Durga Dutt Sharma v. N.P. Lavoratories AIR 1965 SC 980; F. Hoffmann-La Roche & Co. Ltd. v. Geoffrey Manner & Co. Pvt. Ltd. 1969 (2) SCC 716; R.J. Strasenburgh Co. v. Kenwood Laboratories INC. 1955, 106 USPQ 379; Midas Hygiene Industries Pvt. Ltd. v. Sudhir Bhatia and Ors. 2004 (28) PTC 121 (SC); Willmott v. Barber (1880) 15 Ch.D. 96; Power Control Appliances and Ors. v. Sumeet Machines Pvt. Ltd. J.T. 1994 (2) SC 70; Hindustan Pencils Pvt. Ltd. v. India Stationary Products Co. AIR 1990 Delhi 19

Citing Reference:

Discussed	9
Mentioned	10

Case Note:
Intellectual Property Right - Validity of Injunction - Order 39 Rule 4 of Code of Civil Procedure, 1908 (CPC) - Present application filed by defendant invoking Order 39 Rule 4 of CPC praying that ex-parte injunction be vacated - Held, both products are used for similar type of diseases, treatment of heart ailment - But one is a preventive drug and next is a curative drug - It cannot be said at this stage that defendant has resorted to a dishonest adoption - In pharmaceutical trade, one finds names of various drugs almost similar to each other for reason drug conveys what salt it is a derivative of - Doctors can also err and it is not uncommon for drugs to be purchased over telephone and even handwritten prescriptions may be misread due to bad handwriting, but method of intake of a drug by a person is not to be ignored - plaintiffs product is taken orally and is sold as a pill - Defendant's product is intramuscularly injected with aid of a syringe - Therefore other factors like nature of product and get-up of packing have necessarily to be given due recognition - Ex-facie, defendants have built a good market - Balance of convenience lies in favor of defendants - Hence, applications are disposed of vacating ex-parte injunction granted but on terms and defendant shall file yearly statement of sale of his product and observations made in order are only prima facie findings to

decide fate of interlocutory application

JUDGMENT

Pradeep Nandrajog, J.

1. On 6.9.2006 while issuing summons in the suit, taking cognizance of IA. No. 9988/06 filed by the plaintiff under Order 39 Rules 1 & 2 CPC, following ex-parte ad-interim order was passed:

> 1. Notice returnable for 5th October, 2006.
>
> 2. plaintiff is the registered proprietor of the trademark 'LOPRIN' in respect of pharmaceutical products. Registration in favor of the plaintiff is since 20th September, 2000 but goods under the said trade name/mark are stated to be marketed by the plaintiff since the year 1994.
>
> 3. Sales effective from the year 2000 onwards have been stated in para 7 of the application. The sales exceed Rs. 295 lacs per annum for each of the six years.
>
> 4. Defendants have adopted the word/mark 'LOPARIN'.
>
> 5. Objection taken by the plaintiff is to the visual and phonetic similarity in the trademark/name adopted by the defendants.
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> 6. A perusal of the trademark/name adopted by the defendants shows that they have inserted the letter 'A' midway between the trademark of the plaintiff i.e. letter 'A' finds itself between the letters 'LOP' and 'RIN'.
>
> 7. Prima facie it is a case of phonetic as well as visual similarity, tested on the principle of a common man with the usual imperfect memory, seeing the goods of the defendants and from his memory recollecting those of the plaintiff and getting misled.
>
> 8. I am satisfied that delay occasioned by putting the defendants to prior notice is likely to defeat the purpose of the injunction.
>
> 9. Goods are pharmaceutical goods and a stricter standard have to be applied.
>
> 10. However, lest business of the defendants be affected all of a sudden, and noting that as per case pleaded by the plaintiff, it learnt about the offending activity of the defendants in May, 2006, I direct that after 30 days from today, defendants or any person acting under the authority of the defendants would not sell pharmaceutical preparations under the trademark 'LOPARAIN' or under any other mark which is deceptively similar to that of the plaintiff i.e a mark which uses the letters 'LOP' or 'RIN'.
>
> 11. 30 days time is being granted to the defendants to effect the changeover.
>
> 12. Compliance with Order 39 Rule 3 CPC be made within three days.

2. IA. No. 10893/06 has been filed by the defendant invoking Order 39 Rule 4 CPC praying that the ex-parte injunction be vacated.

3. Case of the plaintiff is that 'MM Labs' was a unit of Uni-Distributors Pvt. Ltd. which was manufacturing and selling pharmaceuticals products since 1994. Amongst others, since 1994 said unit was manufacturing and selling an analgesic drug marketed under the trade name LOPRIN, a coined word derived from 'low dose of aspirin', drug being for combating cardiological problems such as prevention of strokes, recurring angina, venous, thrombosis and embolism. Since 1999 it was manufacturing and selling 'LOPRIN-DS'. Registration of LOPRIN was obtained under the Trade & Merchandise Act, 1958 on 20.9.2000. That Unichem Laboratories Ltd. markets LOPRIN for the plaintiff. That reputation and goodwill for LOPRIN can be gauged from the following:

Year	Product Name	Promotional expenses	Value (Rs. in Lac)
2000-01	LOPRIN	3988345	
	LOPRIN DS	1484071	424.15
2001-02	LOPRIN	5113764	
	LOPRIN DS	2124547	370.86
2002-03	LOPRIN	4939050	
	LOPRIN DS	2124297	305.39
2003-04	LOPRIN	5175633	
	LOPRIN DS	1871016	286.15
2004-05	LOPRIN	4980220	
	LOPRIN DS	1648062	295.68
2005-06	LOPRIN	5512460	
	LOPRIN DS	1769654	322.07

4. That by virtue of a Business Transfer Agreement dated 1.12.2003, Uni Distributors Pvt. Ltd. sold business of it's unit 'M.M.Labs' to plaintiff and hence proprietory right in the trade name LOPRIN and LOPRIN-DS vested in plaintiff.

5. That in May, 2006, plaintiff came across impugned product of the defendants being marketed under the trade name 'LOPARIN'. That said act constitutes a blatant and flagrant infringement of the plaintiff's registered trade mark.

6. In para 12 of the plaint, plaintiff has pleaded:

> 12. It is submitted that the adoption by the Defendants of a virtually identical mark LOPARIN, merely with the latter "A" added at in respect of identical goods would lead to confusion and deception in the minds of the consumers leading to passing off of the Defendants' goods as those of the plaintiff. It is further submitted that the adoption of the trademark LOPARIN by the Defendants, which is visually, structurally and phonetically similar to the plaintiff's trademark LOPRIN, and its variants is dishonest and tentative. The Defendants adoption of the impugned mark appears to be guided solely by ulterior motives and the dishonest intent to misappropriate the goodwill and exclusively enjoyed by the plaintiff in respect of the trademark LOPRIN and to pass off their goods as those of the plaintiff. It is further submitted that use of the trademark LOPARIN by the Defendants is an attempt to derive an unfair advantage by creating an impression that their products have some connection, association, affiliation or endorsement with the plaintiff.

7. defense set up in that suit suffers from gross and latches, disentitling the plaintiff to any relief. That defendant No. 2 obtained permission from the Government under the Drugs and Cosmetics Act, 1940 to manufacture the drug Loparin and sale commenced in October, 2005. Suit was filed after 10 months. That the plaintiff had knowledge of said fact evidenced by the plaintiff relying upon data-base published by ORG-IMS which reported about launch of defendants drug in October, 2005. That the Business Transfer Agreement was executory in nature and did not assign the trade name LOPRIN or LOPRIN-DS to the plaintiff. That Clause 2, 6.1, 6.2, 7.1.1 and 7.1.2 of the Business Transfer Agreement dated 1.12.2003 clearly envisage separate brand agreements for assignment. Thus, plaintiff cannot claim any proprietory interest in the trade name LOPRIN or LOPRIN-DS.

8. That the Business Transfer Agreement is dutiable to levy of stamp duty and none having been paid, the document is inadmissible in evidence.

9. That ORG-IMS survey relied upon by the plaintiff (as per documents filed) to show sales of LOPRIN, (at page 119) shows the drug LOPRIN to be a product of Unichem Laboratories Ltd.

10. That defendants search with the Trade Marks Registry has revealed that one Unichem Laboratories Ltd. is the registered proprietor of the trade name LOPRIN.

11. In para 18 of reply to IA. No. 9988/06, defendant has pleaded as under:

> 18. The plaintiff has averred at paragraph 9 of the Interlocutory Application, and even elsewhere, that the adoption by the Defendants of the mark LOPARIN, is "in respect of identical goods". This averment is false to the plaintiff's knowledge. The plaintiff's product LOPRIN is an analgesic tablet, containing Aspirin as the active ingredient. The plaintiff's LOPRIN tablet is claimed to be for the treatment of Cardiological problems such as prevention of strokes, recurrent angina, venous thrombosis and embolism. In fact the plaintiff's LOPRIN, which has 75mg of aspirin works more like a low dose "anti-platelet" drug. An anti-platelet drug prevents coagulation and is used for prevention of adverse cardiac events in patients who are at risk. Aspiring in such dosage reaches the desired plasma concentration with about 14 days usage. Typically, such low dose aspirin drugs are required to be used and are used by patients over very long periods of time, generally for life. The American Heart Association/American College of Cardiology, recommends life long use of such drugs. On the other hand, the Defendant's product LOPARIN injection, for subcutaneous or intravascular use, is a critical care medicine used in Acute Coronary Syndrome as anticoagulant in emergency, normally in Intensive Coronary Care Units (ICCU). It contains the active ingredient Enoxaparin, which by category belongs to Low Molecular Weight Heparin. Low Molecular Weight Heparins are used to prevent coagulation from the damaged endothelium of coronary arteries. LOPARIN forms part of the category of drugs called anti-coagulatns, which are primarily used in almost all major complications of the heart and thromboemobolism, like ACS, Post MI, Percutaneous Coronary Intervention (PCI), Deep Venous Thrombosis (DVT), Pulmonary Embolism, with an average usage of 7 days in treating critical cardiac condition. LOPARIN belongs to the Life Saving Medicines Category and is typically given to patients in critical hours of vascular complications. Heparins are of two types: (I) UFH (Unfractionated Heparin) with molecular weight ranging from 2,00,000 Daltons, and (2) LMWHs (Low Molecule Weight Heparins) with molecular weight below 20,000 Daltons. LOPARIN has a molecular weight of

4500 Daltons and is Therefore LMWH. LMWHs have several benefits over UFH, being more efficacious in saving life with more specificity in action, lesser side effect in terms of lesser bleeding complications and case of administration in terms of less frequent monitoring. This Defendant Therefore submits that LOPRIN and LOPARIN are completely different kind of drugs, directed to remedy different situations. LOPRIN is a preventive medicine used over very long period of time, to avoid coagulation, but is not effective once coagulation occurs. LOPARIN is used in critical life threatening situation to avoid vascular complications and remedy coagulation, once it has occurred. A patient who has been using LOPRIN for prolong periods of time, is under no circumstance, likely to mistake LOPARIN injection for LOPRIN tablets. Furthermore, the character and nature of the product, including the packaging of the Defendant's LOPARIN is completely dissimilar from the plaintiff's LOPRIN tablets. The Carton produced by the plaintiff contains 10 strips of 14 tablets each, while the Defendant's packet contains Sterile, pyrogen - free injectable solution in ready to use pre-filled syringe. The plaintiff's LOPRIN is sold in traditionally used silver colour aluminum foil of 14 tablets each, while the Defendant's LOPARIN is sold as 1 pre-filled syringe that is singularly packed in a white and blue colour box. Not only is the look and the feel of the product and the packaging for both the products completely distinct, the mode of administration of the Defendant's product is different from that of the plaintiff's. The Defendant's product, being an injection is not capable of self administration, without proper training and considering that it is a life saving medicine, it is typically used in ICCU's, under expert medical supervision and advise. The plaintiff has deliberately suppressed the fact that both the products LOPRIN and LOPARIN are Schedule H drugs, capable of being sold only upon Doctor's prescription, thereby greatly reducing chances of any deception. Pertinently, doctors always write their prescription with the dosage form before the brand name and the dose following the brand name. A typical prescription for LOPRIN would read as "Tab. Loprin 75mg", whereas a typical prescription for LOPARIN would read as "Inj. Loparin 20mg/40mg/50mg/ 60mg/80mg". In the circumstances, there would be no possibility of confusion or deception in the mind of even unwary consumers and members of the trade. A strip of 14 LOPRIN tablets of the plaintiff sells for Rs. 3.86 while one pre-filled syringe unit of the Defendant sells for Rs. 201/- (20mg), Rs. 306 (40mg), Rs. 405(60mg) and Rs. 480 (80mg). The distinct and different nature of the product, the mode of administration and the vast difference in the price of the product of the Defendants, which comes to about 52 times the price of the plaintiff's for 20mg injection, obviates any chance of confusion or deception in the minds of the purchasing public and the members of the trade. The packaging and the get up of the two products is also completely different. The salient differences between the two products are mentioned in the table below:

Parameter	plaintiff's Loprin	Defendant's Loparin
Dosage from	Tablet	Injection
Composition	Aspirin	Enoxaparin Sodium
Manufacturing technique	Tablet compression	Fractionation
Major of strength	Mg. (milligrams)	International Units
Strength	75mg.	20mg/0.2 ml 40mg/0.4 ml 60mg/0.6 ml 80mg/0.8 ml
Packaging	Strip of 14 tablets	Sterile, pyrogen - free injectable solution contained in ready to use pre-filled syringe.
Accessories	None (usually dispensed only in strips and not even a carton)	A pre-filled syringe with needle and patient information booklet, giving, inter alia therapeutic indications, dosage and method of administration, contra indications, special warnings, precautions for use, inter actions with other drugs and other forms of interactions, undesirable effect, etc.
Mention of Schedule class	None	Schedule-H
Manufacturing location	Vapi, Gujarat	Hyderabad, Andhra Pradesh
Prescribers	General Practitioners	Cardiologists and other critical care specialists
Cost	Rs. 3.86 for 14 tablets	Rs. 201 for 1 syringe of 20mg, Rs. 306 for 40mg, Rs. 405 for 60mg and Rs. 480 for 80mg.
Prescribed as	Rx. Tab. Loprin	Rx. Inj. Loparin
Mode of purchase	Either a carton containing	

	10 strips of 14 tablets or one strip of 14 tablets or one or few tablets in loose form	
	Normally purchased by the patient	Always in a carton containing on pre-filled syringe. Normally supplied by the hospital as is used in ICCUs.
Administration	Self administration only	Injection by/under expert medical supervision, by deep subcutaneous route in prophylactic and curative treatment and by intravascular route during hemodialysis.
Place of Administration	Usually taken at home	Usually administered in ICCUs
Indication	Used for prevention of adverse cardiac events in patients who are at risk	Used in Acute Coronary Syndrome as anti-coagulent in emergences.
Nature of therapy	Chronic	Acute
Nature, purpose and usage	Works like a low dose anti-platelet. To prevent coagulation - no effect after occurrence of coagulation. Only takes effect after the desired plasma concentration is reached, normally after 14 days of usage. Typically the patient uses for life.	Is an anti-coagulant. To deal with critical life threatening situations, vascular complications. Used after occurrence of coagulation, typically for 7 days. Not used as preventive medicine.

12. In para No. 19 and 20 of the reply to IA. No. 9988/06, defendant has pleaded:

> 19. The Defendant Therefore, respectfully submits that the plaintiff's Analgesic Tablets, marketed under the trade mark LOPRIN is a completely different product from LOPARIN, the Low Molecular Weight Heparin Injection. Aspirin is commonly prescribed as a preventive medication while Enoxaparin is prescribed in highly critical life threatening condition. There are significant and fundamental differences between the two products. The use by the Defendant of the trade mark LOPARIN is completely honest and bonafide. This Defendant and its products, including LOPARIN enjoy huge reputation and goodwill in the market. The plaintiff has Therefore wrongly averred that LOPARIN trade mark is used by the Defendant for "identical goods." Considering the distinctive nature, it cannot at all be said that the use by the Defendant of the trade mark LOPARIN is such as to render its use as being likely to be taken as being use of the plaintiff's trade mark.
>
> 20. The Defendant No. 2 obtained permission from the Government to manufacture LOPARIN for the Defendant No. 1, on 16.09.2005, and since October 2005, the Defendant No. 2 has been manufacturing and Defendant No. 1 has been marketing LOPARIN, across the country. This Defendant has coined LOPARIN adopting LO from the category of the drug, being Low Molecular Weight Haparin and PARIN from the name of the molecule - Enoxaparin. This Defendant has applied for registration of the trade mark LOPARIN, under the Trade Marks Act, 1999 on 26.08.2005. This Defendant has by now incurred an expense of about Rs. 74.67 lacs for the purpose of launch of LOPARIN. The aggregate sale of LOPARIN till date have been about Rs. 8.89 crores.

13. In the replication filed, plaintiff has pleaded that all the terms of the Business transfer Agreement dated 1.12.2003 have been complied with and deed of assignment dated 17.11.2005 has been executed by Uni Distributors Pvt. Ltd. That the plaintiff has applied to the Registrar of Trade Marks to transfer registration of the mark/name LOPRIN in favor of the plaintiff. Other assertions of the defendant are denied.

14. Unichem Laboratories Ltd. has filed IA. No. 11119/06 under Order 1 Rule 10 CPC stating:

> 1. The plaintiff has filed the above suit for permanent injunction restraining infringement of trademark, passing off, damages etc. The Plaint may kindly be referred to.
>
> 2. The Applicant herein is a marketer of a pharmaceutical product under the trademark LOPRIN and also owns a registration for the trademark LOPRIN under 853 839 in Class 5. It is submitted

that the plaintiff and the Applicant are entities having a principle-to-principle agreement with each other.

3. It is submitted that Defendant No. 1 has taken an objection in its written statement that the trademark LOPRIN lacks distinctiveness as it cannot be attributed to one owner because the trademark LOPRIN is registered by the Applicant and the plaintiff. However, there is no conflict of ownership between the plaintiff and the Applicant for the trademark LOPRIN. It is submitted that registration of trademark LOPRIN by these two entities is a matter of internal policy and mutual understanding to protect their valuable trademark rights in the trademark LOPRIN and steps are being taken to consolidate all trademarks applications and registrations for said trademark in the plaintiff.

4. Be that as it may, in order to avoid unnecessary controversy the Applicant may be imp leaded as a Co-plaintiff in the present suit, in order to enable this Hon'ble Court to adjudicate upon and effectively settle all questions involved in the suit.

15. Shri Man Mohan, learned senior counsel for the plaintiff urged that it has been judicially recognized that physicians are not immune from confusion and that many prescriptions are telephoned to the pharmacists. Even if handwritten, frequently, hand writing is not legible. MANU/SC/0512/2004 : 2004(170)ELT260(SC) , Milment Of the Industries and Ors. v. Allargon Inc.). Thus, if phonetic or visual similarity was found, injunction had to follow was the submission made. Decision of a learned Single Judge of this Court reported as MANU/DE/0196/2004 : 110(2004)DLT732 . Pfizer Ireland Pharmaceuticals v. Intas Pharmaceuticals and Anr. was also cited to urge that in case of medicinal products, since disaster to health and in some cases life itself was an issue, stricter standard had to be applied to medicinal goods. Citing 2002 (254) PTC 592 Bom. Medley Laboratories Pvt. Ltd. v. Alken Laboratories Ltd. counsel urged that 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 goods being sold on doctors prescription are altogether irrelevant and immaterial. Lastly, counsel cited MANU/SC/0199/2001 : [2001]2SCR743 , Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd. to urge that the two competing medicines were derivatives of different salts was irrelevant. That decision in Cadila Health Care's case (supra) held that decision reported in AIR 2000 SC 2114, S.M. Dyechem Ltd. v. Cadbury (India) Ltd. was not good law. That only similarities and not dissimilarities had to be considered. That as held in Durga Dutt Sharma's case AIR 1965 SC 890, when once the use by the defendant of the mark which is claimed to infringe the plaintiffs mark is shown to be "in the course of trade", the question whether there has been an infringement is to be decided by comparison of the two marks. Counsel urged that where the two marks are identical no further questions arise; for then the infringement is made out. When the two marks are not identical, the plaintiff would have to establish that the mark used by the defendant so nearly resembles the plaintiff's registered trade mark as is likely to deceive or cause confusion and in relation to goods in respect of which it is registered. Learned Counsel urged that a point has sometimes been raised as to whether the words "or cause confusion" introduce any element which is not already covered by the words "likely to deceive" and it has some times been answered by saying that it is merely an extension of the earlier test.

16. Relying upon decision in Cadila Health Care Ltd case (supra) counsel urged that where the drugs have a marked difference in the compositions with completely different side effects, the test should be applied strictly as the possibility of harm resulting from any kind of confusion by the consumer can have unpleasant if not disastrous results. Counsel urged that the courts need to be particularly vigilant where the defendant's drug, of which passing of is alleged, is meant for curing the same ailment as the 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 problems.

17. Interlocutory remedy is normally intended to preserve in status-quo the rights of the parties which may appear of a prima facie case. As observed by their Lordships of the Supreme Court in the decision reported as MANU/SC/0595/1990, Wander Ltd. and Anr. v. Antox India Pvt. Ltd.:

> Usually, the prayer for grant of an interlocutory injunction is at a stage when the existence of the legal right asserted by the plaintiff and its alleged violation are both contested and uncertain and remain uncertain till they are established at the trial on evidence. The Court at this stage acts on certain well settled principles of administration of this form of interlocutory remedy which is both temporary and discretionary. The object of the interlocutory injunction, it is stated. ".... is to protect the plaintiff against injury by violation of his rights for which he could not adequately be compensated in damages recoverable in the action if the uncertainty were resolved in his favor at the trial. The need for such protection must be made against the corresponding need of the defendant to be protected against injury resulting from his having been preventing from exercising his own legal rights for which he could not be adequately compensated. The court must weigh one need against another and determine where the 'balance of convenience' lies.

18. As observed by their Lordships in Mahendra & Mahendra Paper Mills Ltd v. Mahindra & Mahindra (1995) 1

AD Delhi 319:

> The court also, in restraining a defendant from exercising what he considers his legal right but what the plaintiff would like to be prevented, puts into the scales, as a relevant consideration whether the defendant has yet to commence his enterprise or whether he has already been doing so in which latter case considerations somewhat different from those that apply to a case where the defendant is yet to commence his enterprise, are attracted.

19. On the issue of phonetic similarity and dissimilarity, learned Counsel for the parties referred to various judgments to bring home the point as to which words were found to be phonetically similar and which were found to be otherwise. I need not recap all the decisions inasmuch as, a learned single Judge of this Court A.K. Sikri, J. in the decision reported as 2002 (25) PTC 262 (Delhi) Pfizer Products Inc. v. B.L. & Co., while dealing with the words 'viagra' and 'penegra' has catalogued the various decisions where it was found that there was no phonetic similarity, and another learned Single Judge of this Court, M.B. Lokur, J. in the judgment reported as 2004 (5) A.D. (Delhi) 146 Syncom Formulations India Ltd. v. SAS Pharmaceuticals has listed the decisions where phonetic similarity was found.

20. Since I am dealing with the issue at an interlocutory stage, I would be transgressing my jurisdiction if I travel beyond the well settled principle of law that at interlocutory stage matter has to be considered only from prima-facie point of view.

21. Few judgments catalogued in the two decisions of A.K. Sikri, J. and M.B. Lokur, J. noted in para 18 above determined the issue by examining the similarities in the competing marks as also the dissimilarities. This approach of looking at the essential features by taking into account differences as well was affirmed by their Lordships of the Supreme Court in the decision reported as MANU/SC/0407/2000 : 2000ECR1(SC) S.M. Dyechem Ltd. v. Cadbury (India) Ltd. At page 596 of the report it was observed as follows:

> It appears to us that this Court did not have occasion to decide, as far as we are able to see, an issue where there were also differences in essential features nor to consider the extent to which the differences are to be given importance over similarities. Such a question has arisen in the present case and that is why we have referred to the principles of English Law relating to differences in essential features with which principles, in our opinion, are equally applicable in our country.

22. A subsequent three Judges Bench decision took a contrary view. The decision is reported as 2001 PTC 300 (SC) Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd. At page 312 of the report, after noting the passage quoted above in the judgment in S.M. Dyechem's case (Supra), their Lordships of the Supreme Court observed:

> We are unable to agree with the aforesaid observations in Dyechem's Case (Supra). As far as this Court is concerned, the decisions in the last four decades have clearly laid down that what has to be seen in the case of a passing off action is the similarity between the competing marks and to determine whether there is likelihood of deception or causing confusion.

23. The decisions noted by their Lordships of the Supreme Court in Cadila Health Care case (Supra) for arriving at the conclusions aforenoted are (i) MANU/SC/0063/1953 : [1953]4SCR1028 National Sewing Thread Co. Ltd. Chidambaram v. James Chadwick & Bros. Ltd. (ii) MANU/SC/0115/1959 : [1960]1SCR968 Corn Products Refining Co. v. Shangrila Food Products Ltd. (iii) MANU/SC/0256/1962 : [1963]2SCR484 Amritdhara Pharmacy v. Satya Deo (iv) MANU/SC/0197/1964 : [1965]1SCR737 Durga Dutt Sharma v. N.P. Lavoratories and (v) MANU/SC/0302/1969 : [1970]2SCR213 F. Hoffmann-La Roche & Co. Ltd. v. Geoffrey Manner & Co. Pvt. Ltd.

24. Further, in Cadila Health Care case (Supra), at page 314 of the report, their Lordships held that a higher standard has to be applied to medicinal products and that the courts need to be particularly vigilant where the defendants drug, of which passing off is alleged, is meant for curing the same ailment as the plaintiff's medicine but the compositions are different. Further, at page 315 of the report, their Lordships, dealing with the argument that medicines are sold by Chemists who are trained persons and are less likely to be deceived, observed as under:

> 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. Their Lordships noted with approval the observations made by Assistant Commissioner Leeds of the

Patent Office in R.J. Strasenburgh Co. v. Kenwood Laboratories INC. 1955, 106 USPQ 379 as under:

> Physicians are not immune from confusion or mistake. Furthermore it is common knowledge that many prescriptions are telephoned to the pharmacists and others are hand written, and frequently handwriting is not unmistaken ably legible. These facts enhance the chances of confusion or mistake by the pharmacists in filling the prescriptions if the marks appear to much alike when hand written or sound too much alike when pronounced.

26. The decision in Cadila Health Care case concludes with the following guidelines for deciding the question of deceptive similarity:

> 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 resemblances between the marks, phonetically similar and hence similar in idea.
>
> 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.
>
> 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.
>
> 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.

27. Relief of injunction being an equitable relief, delay becomes relevant but mere delay in bringing an action for infringement of a trademark or for passing off is no ground for refusing an injunction. The grant of injunction becomes necessary if it prime facie appears that the adoption of the mark was dishonest. MANU/SC/0186/2004 : 2004(28)PTC121(SC) Midas Hygiene Industries Pvt. Ltd. v. Sudhir Bhatia and Ors.

28. Acquiescence by itself is also no ground to non suit a plaintiff, if otherwise his claim is found to be genuine. In Willmott v. Barber (1880) 15 Ch.D. 96 Fry, J. said:

> It has been said that the acquiescence which will deprive a man of his legal rights must amount to fraud and in my views this is an abbreviated statement of a very true proposition. A man is not to be deprived of his legal rights unless he has acted in such a way as would make it fraudulent for him to set up those rights.

29. Acquiescence is nothing but one facet of delay. If a plaintiff stands by knowingly and lets a defendant build up an important trade until it has became necessary to crush it, the plaintiff would be stopped by acquiescence. It would be a fraudulent conduct to allow knowingly somebody to spend money to build a reputation and then try and crush it.

30. It is important to distinguish between mere negligence and acquiescence as was observed by Sr. John Romilly in Harcourt V White 28 Bear 303. As Explained in Power Control Appliances and Ors. v. Sumeet Machines Pvt. Ltd. MANU/SC/0646/1994 : [1994]1SCR708 acquiescence is sitting by when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark. It implies positive acts, not mere silence or inaction such as is involved in laches. The observations are another form of knowingly sitting idle.

31. Where defense of delay, laches or acquiescence is put forth, another consideration needs to be put in the scale to see where it tilts. As observed by Romer J. in the matter of an application brought by J.R. Parkington & Co. Ltd. (1946) 63 RPC 171, the circumstances which attend the adoption of a trade mark in the first instance are of considerable importance and honesty of user is of importance. If the user in its inception was tainted it would be difficult in most cases to purify it subsequently. Reasons for this stand explained by B.N. Kirpal J. (as his Lordship then was) in the decision reported as MANU/DE/0383/1989 : AIR1990Delhi19 Hindustan Pencils Pvt. Ltd. v. India Stationary Products Co. In para 31, it was observed:

> Even though there may be some doubt as to whether laches or acquiescence can deny the relief of a permanent injunction, judicial opinion has been consistent in holding that if the defendant acts fraudulently with the knowledge that he is violating the plaintiff's rights then in that case, even if there is an inordinate delay on the part of the plaintiff in taking action against the defendant, the relief of injunction is not denied. The defense of laches or inordinate delay is a defense in equity. In equity both the parties must come to the Court

with clean hands. An equitable defense can be put up by a party who has acted fairly and honestly. A person who is guilty of violating the law or infringing or usurping somebody else's right cannot claim the continued misuse of the usurped right.

32. Keeping in mind the various factors to be taken into consideration for deciding the question of similarity between the two trade names or the likelihood of deception and confusion arising there from, let me examine the two trade names in the light of submissions of learned Counsel for the parties.

33. Admittedly, both products are used for similar type of diseases, namely, treatment of heart ailment, but whereas LOPRIN is a preventive drug, LOPARIN is a curative drug. As pleaded by the plaintiff (refer para 9 of the plaint), LOPRIN is a coined word derived from 'low dose of aspirin' i.e. amalgamation of the word 'low' and the word 'aspirin', defendants mark LOPARIN is a coined word derived from 'low molecular weight heparin' and the molecule-Enoxaparin i.e. amalgamation of the word 'Low' and the word 'Enoxaparin'.

34. It cannot be ruled with certainty at this stage that defendant has resorted to a dishonest adoption.

35. In pharmaceutical trade, one finds names of various drugs almost similar to each other --- having common prefix or suffix --- for the reason the drug conveys what salt it is a derivative of.

36. No doubt, doctors can also err and it is not uncommon for drugs to be purchased over the telephone and even handwritten prescriptions may be misread due to bad handwriting, but method of intake of a drug by a person is not to be ignored.

37. plaintiffs product is taken orally and is sold as a pill. Defendant's product is intramuscularly injected with aid of a syringe. Thus, other factors like nature of the product, design and get-up of packing, price, weight etc. have necessarily to be given due recognition.

38. Factors listed by the defendants in para 18 and 19 of the reply to IA. No. 9988/06 are critical and, in my opinion, break the deadlock. LOPRIN is an anti-platelet drug and prevents coagulation. It is prescribed to prevent adverse cardiac events in patients who are at a risk. It is used by patients over a long period of time. Loparin is a critical care medicine used in acute coronary syndrome as an anticoagulant in emergency, normally used in Intensive Coronary Care Unit. It is administered subcutaneously or intravascularly. The former is sold as pills in aluminium foils, the latter is sold in profiled syringe. Price difference is huge. Over 52 times.

39. A word on balance of convenience. Defendant has sales of nearby Rs. 8 crores in less than a year. The product is in the market since October, 2005. Ex-facie, defendants have built a good market. Balance of convenience lies in favor of the defendants.

40. Issues of the Business Transfer Agreement not subjected to payment of stamp duty and effect of subsequent assignment deed are not being dealt with by me as I am of the opinion that at this stage it is not necessary to consider the said issues. Similarly, I have not considered effect of impleadment sought by Unichem Laboratories Ltd. Needless to state, issue of interim relief has to be predicated on prima facie findings.

41. The two applications are disposed of vacating the ex-parte injunction granted on 6.9.2006. But on terms. Defendant shall file yearly statement of sale of LOPARIN.

42. The usual mantra. Nothing contained in this order shall be construed as an expression on the merits of the case. Observations made in the order are only prima facie findings to decide the fate of the interlocutory application. Final adjudication would be as per evidence led.

42. No costs.