

International Update

INDIA

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In October 2019, the High Court of Delhi in the case of Glaxo SmithKline Pharmaceuticals Ltd. and Ors. v Naval Kishore Goyal and Ors. once again adjudicated on 'deceptive similarity of trademarks'.

The marks in question were ZENTEL and FENTEL- both for pharmaceutical preparations. Glaxo Smithkline Pharmaceuticals Ltd. (GSK), together and through their subsidiaries and affiliates worldwide is engaged in the business of manufacturing and marketing a wide range of pharmaceutical, medicinal and health care products. ZENTEL is one of its brands of medicine for de-worming purposes in human beings and stands registered in India since 14 May 1980 and has been used in India since 1986.

In March 2003, on learning of a similar product FENTEL, being manufactured and sold by the Defendants for identical goods, GSK filed a suit against them. The suit was first listed in July 2003 wherein the Court granted ex-parte injunction in favour of GSK and restrained the defendants from manufacturing, selling or offering for sale pharmaceutical preparations under the trade mark FENTEL or any other similar mark. Thereafter, the said injunction was confirmed in September 2004. Proceedings in the main suit progressed and on the basis of the pleadings, issues were framed.

The main issues to be decided were a) whether the use of the mark FENTEL by the defendants amounts to infringement of plaintiffs registered trademark ZENTEL and b) whether the suit was liable to be dismissed on the ground of delay, laches and estoppel.

The Defendants' contention was that their product FENTEL had been introduced in 1998 and had acquired substantial reputation in the market. They claimed that the word FENTEL had been derived from the name of their company, nature of disease and the drug Albendazole – F from FAITH, which was part of the company's trading style, ENT obtained from the Greek word enterikos which meant intestines and EL from the name of the drug. They further contended that the mark was being publicized and promoted alongside the ZENTEL products for several years and that the Plaintiffs had not raised a timely objection on use of their mark. Thus, on grounds of delay, laches and estoppel, the Defendant argued that plaintiffs were not entitled to the relief of injunction.

Addressing the issues raised in the Suit, the Court highlighted the dictum by Supreme Court in the case of F. Hoffman La Roche v Geofferey Manners wherein it was held that the marks have to be compared from the point of view of an average person of imperfect recollection and meticulous comparison of the words side by side is not to be made. The true test to determine deceptive similarity is whether the totality of proposed marks is such that it is likely to cause confusion or

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mistake in the minds of persons accustomed to the existing trade mark. Stress has to be laid on common features rather than on differences in essential features. Bearing this in mind, the Court in this case held that the marks ZENTEL and FENTEL were overwhelmingly similar visually, structurally and phonetically. The Court further considered that both drugs were being used for treatment of the same condition and while these drugs were to be sold on prescription by a medical practitioner, mistakes could not be eliminated for deceptively similar trade marks – either on account of lack of competency or availability of medicines across the counter which is not improbable in a country like India. The court also observed that the adoption of the said mark by the defendants is not honest and the explanation given for adoption is downright imaginative and far-fetched and only to confuse the court.

The Court also touched on the aspect of laches and stated that mere inaction on the part of the plaintiff did not preclude them from suing for infringement. It stated that in order to claim the defence of acquiescence, there should be a tacit or an express assent by the plaintiffs to the defendants using the mark in a way encouraging the defendants to continue the business.

In light thereof, it was confirmed that the use of the mark FENTEL by the defendant amounts to infringement of the plaintiffs registered mark ZENTEL and a decree of

permanent injunction was passed in favour of the plaintiffs. Also, based on the facts and the law, the contention of defendants on delay and acquiescence was rejected. However, nominal damages were granted in the matter as the Court believed there was no basis to award damages solely on the assumptive sale of products. It stated that the Plaintiffs failed to prove actual damages and only costs to the tune of USD \$4,200 were granted.

The case once again highlights the concept of deceptive similarity of trade marks and the need for a stricter scrutiny required for pharmaceutical, medicinal and health care related products. It is only fair that extra caution be exercised whilst dealing with products concerning human health.