

IN SUMMARY

- Pharmaceutical companies often derive the brand names of drugs from the chemical compound or active ingredient on which they are based. This has led to trademark disputes where two drugs use the same generic compound and thus have similar names.
- Judgements handed down by the courts in India, where low price generic drugs challenge established brand names for market share, vary widely.
- Some judgements have maintained that the part of the brand name derived from the generic compound should not be classed as part of the trademark and have thus dismissed claims based on the identifiable difference between prefixes or suffixes appended to the generic name.
- Given this level of uncertainty, pharmaceutical companies would do well to rethink their drug naming strategies.

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Prescription for confusion

Pharmaceutical companies seeking protection of their brand names that have been derived from the chemical name of the medicine face a new set of challenges in India

By **Rachna Bakhru**, IP consultant, and **Ranjan Narula**, consultant, Rouse & Co

It is a common practice in the pharmaceutical industry to coin brands names for drugs by the name of the principal ingredient (for example, from Loratadine comes Loridin, Lorfast and Loract. From acebrophylline comes Acibro).

The practice is beneficial for the pharmaceutical brand owners in terms of quick recollection of brand names by the doctors, patients and traders. However, once such marks get popular over a period of time, and competitors enter the arena, it becomes challenging to claim exclusivity in the brand names.

There have been varying judgements coming from the Indian courts for pharmaceutical brand names involving

prefixes or suffixes that are derived from chemical names or compounds. In many of the cases, there is not necessarily bad faith in adoption of such marks by the parties: they all want to use the ingredient or chemical name to coin the brand name, thus some similarities are bound to occur. However, the question before the courts in such cases is: can exclusive rights be given to a particular trader when the mark in question has been derived from the chemical name or name of the ailment that it intends to cure?

Prohibition

Section 13 of the Indian Trademarks Act, 1999 specifically bars registration of names of chemical elements or

international non-proprietary names (INNs) and clearly states that no word which is the commonly used and accepted name of any single chemical element or single chemical compound in respect of a chemical substance shall be registered as a trademark.

While registration of a chemical name as a trademark is prohibited as per the Trademarks Act, there is no restriction imposed over using some portions of the chemical name and coining a trademark using the elements of those words with distinctive matter added to them.

However, the problem arises in enforcement of such marks against misuse by third parties that come up with similar combinations. The Indian courts seem to differ in their approach towards assessing the level of distinctiveness or exclusiveness that can be claimed by the owner of such trademarks.

A few of the cases that highlight the conflicting views of the courts are discussed below.

Nimulid vs Remulid

In a case titled in *Panacea Biotech Ltd. Vs Recon Ltd.*, the plaintiff manufactured nimesulide tablets under the brand name Nimulid. Within a short time, the trademark acquired a goodwill and reputation in the market. Then the defendants started using the mark Remulid for the same medicinal preparations.

The plaintiff sought an interim injunction against the defendants pleading infringement of trademark and unfair competition. It was held by the court that the trademark in question "is a pointer to the drug from which it is manufactured". When a name is derived from the name of the principal ingredient, no distinctiveness or exclusiveness can be claimed by a trader in respect of the part of the name taken by him for his trademark.

Although, on comparison the marks Nimulid and Remulid appear confusing, the preliminary injunction was not granted by Delhi High Court considering that the marks were derived from the common chemical component nimesulide.

Comparison test in Dropovit vs Protovit

Similarly, the Supreme Court in a case titled *F-Hoffmann-La Roche & Co. Ltd. Vs Geoffrey Manners & Co. Pvt. Ltd.* took the view that the terminal syllable 'vit' in the two marks Dropovit and Protovit is both descriptive and common to the trade. The

letters 'D' and 'P' in the Dropovit and the corresponding letters 'P' and 'T' in Protovit cannot possibly be slurred over on pronunciation, reasoned the court, and the whole words are so dissimilar that there is no reasonable probability of confusion between the words whether from visual or phonetic point of view.

In reaching the conclusion the court took into account the fact that both are vitamin preparations. The decision has come under criticism by practitioners and brand holders for letter by letter comparison rather than applying the overall similarity test.

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A contrary view emerged from the Delhi High court while assessing similarities between the marks Glucovita vs Gluvita. The Division Bench, while setting aside order of the Single Judge, took the view that the marks were similar and the Single Judge erred in holding that that marks are unlikely to cause confusion due to the presence of a series of other marks with Gluco or Vita as a common prefix/suffix and therefore it could not be said that the common features Gluco or Vita were only associated with the appellants.

Thus, it appears that the factors that should be taken into account when comparing marks used for pharmaceutical products is not so clear. The conflicting judgements from the various Indian courts (from the 1960s through to the 1990s) only sharpened the debate.

The doctrine of dividing the marks by splitting them into prefixes or suffixes and comparing the portion of it, to come to a conclusion of their similarity has resulted in conflicting rulings from the courts.

It was in 2001 that the Supreme Court in its landmark judgement *Cadila Healthcare Ltd. vs Cadila Pharmaceuticals Ltd.*, popularly known as the *Cadila* case, took upon itself to formulate the principles to be kept in mind while comparing pharmaceutical trademarks.

These are:

- **Strict test of comparison for pharmaceutical marks**

A stricter approach should be adopted while applying the test to judge the possibility of confusion of one medicinal product for another by the consumer. While confusion in the case of non-medicinal products may only cause economic loss to the plaintiff, confusion between the two medicinal products may have disastrous effects on health of the consumer.

- **Consumer protection is vital**

"The tests of confusing similarity are modified when the goods involved are medicinal products. Confusion of source or product between medicinal products may produce physically harmful results to purchasers and greater protection is required than in the ordinary case."

- **Similar marks for different therapeutic use could lead to disastrous consequences**

"If the goods involved are medicinal products each with different effects and designed for even subtly different uses, confusion among the products caused by similar marks could have disastrous consequences. For these reasons, it is proper to require a lesser quantum of proof of confusing similarity for drugs and medicinal preparations."

- **Cultural considerations in India**

"In a country like India where there is no single common language, a large percentage of population is illiterate and a small fraction of people know English, then to apply the principles of English law regarding dissimilarity of marks or the customer knowing about the distinguishing characteristics of the Plaintiff's goods seems to overlook the ground realities of India."

Therefore, the basis of comparison should be similarities and not of dissimilarities.

The propositions laid down in the *Cadila* case are often relied upon by the IP practitioners and the courts analysing similarities between pharmaceutical trademarks and applying test of confusion. The decision in the *Cadila* case is also credited to have put to rest the argument that medicines in question were prescription drugs and not sold over the counter and therefore no confusion would be caused.

The court in the *Cadila* case was of the view that although the possibility of a confusion in a drug being sold over the counter may be higher, the fact that a drug is sold under prescription or only to physicians, who are trained people, yet they

TRADEMARKS	PARTIES	YEAR OF DECISION AND COURT
BIOCILLIN v BICILIN	Bio Chem Pharmaceutical Industries v Astron Pharmaceuticals	2003, Delhi High Court
VOVERAN v NOVERAN	Novartis AG v Ishwar Lal Jain	2003, Delhi High Court
SPOXIN v SUPAXIN (common suffix XIN) both for SPARFLOXACIN	Medley Laboratories v Alkem Laboratories	2002, Mumbai High Court
EFACID v EFCID	Strassenburg Pharmaceuticals Ltd. Himalaya Drug Co.	2002, Calcutta High Court
DESTROL v DESTRO	Vijay Grover v Biocure Laboratories	2001, Delhi High Court
TRAVATAN v TRAVAXO (derived from TRAVOPROST)	Alcon Laboratories vs Ajanta Pharma Ltd.	2008, Mumbai High court
FOLVITE v FOLV (for folic acid and vitamin)	Wyeth Holding Corporation v Burnet Pharma	2008, Mumbai High court
REGULIN v REGU-30	Syncom Formulations v SAS Pharmaceuticals	2004, Delhi High Court
HAIMOLA v RASMOLA	Dabur India Ltd. v Pankaj Goel, 2008	2008, Delhi High Court
VOLINI v VONIGEL	Ranbaxy Laboratories v Universal Twin Labs	2007, Mumbai High Court

are not infallible and in medicines there can be no provisions for mistake since even a possibility of a mistake can be fatal.

Prescription for similarity

Deviating from the *Cadila* case, it was held by the Division Bench of the Chennai High court in *USV Ltd. v. Systopic Laboratories Ltd.* (decided in 2004) that as the drugs are prescribed by registered medical practitioners and dispensed by qualified pharmacists, the chances of confusion arising out of two products being deceptively similar are considerably reduced. To this extent, some similarity is allowed.

In this case, the Chennai High Court had to decide whether brand names Pio and Piz containing Pioglitazone, were deceptively similar. The Division Bench of the Madras High Court held that the two names were not deceptively similar stating that "the word pio has become public juris and that there could be no monopoly over it".

Post-Cadila

There was some level of consistency seen in the judgements coming from various courts following the Supreme Court's decision in the *Cadila* case. A series of such cases (see table) from various Indian courts holding the rival marks to be deceptively similar, notwithstanding the fact that they were both derived from the common active ingredient and/or intended to be sold on prescription of a medical practitioner.

Although the jurisprudence in this area started to take a definite shape and direction after the court ruling in the *Cadila* case, there was a sudden shift seen recently in the Delhi High Court's judgement refusing injunction to *Astrazeneca UK Ltd vs Orchid*

Chemicals and Pharmaceuticals Ltd concerning use of the Meromer trademark by Orchid which was alleged to be similar to Meronem. The Division Bench of the Delhi High court was of the view that "admittedly 'Mero' which is common to the competing marks is taken by both the appellants and respondents from the drug Meropenem and is used as a prefix in both competing marks. Further that both are marketing the same molecule, Meropenem, and therefore none of the parties can claim exclusive rights in the word Meropenem.

Along with the generic/common prefix, Mero the appellants/plaintiffs have used the syllable 'Nem' whereas the respondent/defendant has used the syllable 'Mer'. It is true that the aforesaid words/trade names cannot be deciphered or considered separately, but must be taken as a whole. But even if they are taken as a whole, the prefix Mero used with a suffix in the two competing names, distinguishes and differentiates two products. When they are taken as a whole, the aforesaid two trademarks cannot be said to be either phonetically or visually or in any manner deceptively similar to each other".

Close on the heels of the above decision came the Delhi High court's order in *Kalindi Medicare vs Intas Pharmaceuticals - Loprin and Loparin* - which further adds to the confusion regarding criterion used for comparing pharmaceutical trademarks. The court applied principles of English law distinguishing the marks on the basis of dissimilarities in the rival preparation, their method of administration/use and price. The ruling departs from the *Cadila* judgement and other precedents where it was held that special care should be taken while comparing

pharmaceutical trademarks bearing in mind the ground realities in India.

The contradiction in the above judgements has also been due to different approaches taken by the courts while comparing marks with a common suffix or prefix. If the rival marks have a common prefix/suffix, generally speaking, one could take the view that the distinctive nature of the trademark in question would depend on the remaining part of the word attached to these common suffixes and prefixes. However, the doctrine of dividing the marks by splitting them into prefixes or suffixes and comparing the portion of it to come to a conclusion of their similarity has resulted in conflicting rulings from the courts.

Such dissection of the trademarks goes against the well-settled principle of determining similarity between marks that "the marks should be compared as wholes" and that it is not right to take a portion of the word and conclude that because that portion is sufficiently different from the corresponding portion of the mark (which is generic) there is no similarity.

The similarity has to be seen overall. It is a settled principle of law that the true test of similarity is to see if the proposed trademark is such that it is likely to cause deception or confusion of mistake in the minds of persons who are accustomed to the existing trademark.

The courts decisions in this regard tend to vary and in many cases raise more questions than they answer.

Conclusion

Analysing this issue from the brand holders' perspective, it seems adoption of marks from the chemical names not only gives rise to a higher number of conflicts among pharmaceutical companies but also results in lower levels of recognition among the trade and public who struggle to remember and differentiate between similar marks. Thus, the purpose of "recall value" gets defeated once there are other similar brands from the competitors in the market.

However, coining brand names using chemical names has traditionally been an accepted practice among pharmaceutical companies and moving from that position requires a radical shift in thinking. Perhaps it is time for pharmaceutical companies to consider this seriously given that there are fewer new drugs coming into the market and more products going off patents. In this scenario, the brand names will play a crucial part in helping companies retain sales volume once generic versions of a drug enter the market. ☞