A cause of action for passing off and a cause of action for infringement, both are a form of intellectual property enforcement against the unauthorized use of a mark which is considered to be similar to another person’s trade mark. However, the scope of investigation in an action for infringement of a registered trademark varies from the one for passing off. An action for passing off is a common law remedy, being in substance an action for deceit that is passing off by a person of his own goods as those of another. On the other hand, an action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of the exclusive right to the use of the trade mark in relation to those goods.
Passing off is a wrong and a cause of action for passing off is primarily founded in tort and is historically rooted in common law. Passing off is not defined in the Trade Marks Act, 1999 (Act); however, certain sections of the Act do have a mention of passing off. Section 27(2) of the Act states that the rights of action against any person for passing off goods or services as the goods of another person or services provided by another person, or the remedies in respect thereof are unaffected by the provisions of the Act. Section 134(1)(c) of the Act states that “no suit for passing off arising out of the use by the defendant of any trade mark which is identical with or deceptively similar to the plaintiff’s trade mark, whether registered or unregistered, shall be instituted in any court inferior to a District Court having jurisdiction to try the suit”. Section 135 of the Act specifies the remedies available in respect of passing off arising from the use of a trade mark.

In a passing off action, the plaintiff must prove that there is a similarity in the trade names or marks and that the defendant is passing off his goods as those of the plaintiff’s. The “Classical trinity” of passing off i.e. the three elements of the tort of passing off are- goodwill, misrepresentation and damage. Remedies could include injunction or damages or both.

The Calcutta High Court, in K.C.Das Pvt. Ltd. v K.C.Dass (AIR 2011 CALCUTTA 136) brought out a clear distinction on the available grounds to claim relief against the violation of registered trademark and those for passing off. The plaintiff who was carrying on the business of manufacture and sale of sweetmeats under his registered trade mark which was the name and style “K.C.Das” alleged infringement as well as passing off by defendant, who was carrying out his business of readymade garments under a similar mark. The Court denied relief to the plaintiff for infringement of his registered trade mark, but granted relief under an action for passing off and held that since the plaintiff’s trade mark is not registered in the class which categorically defines the business carried out by the defendant, the plaintiff is not entitled to any relief for alleged infringement of his registered trade mark. However, by using the deceptively similar mark for his business i.e. by adopting the same stylish way of writing its trade name with that of the plaintiff, the defendant has passed off its business as that of the plaintiff, who has developed a business of repute in the other field.

While deciding the above matter, the court relied upon the principle established with regard to escaping of liability by the defendant under an action for infringement or passing off, in the judgment of a three judge bench of the Supreme Court of India in Kaviraj Pandit Durga Dutta Sharma v. N.P.Laboratories (AIR 1965 SC 980). It was laid down that in cases of infringement of registered trade mark, once it is established that the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get up, packing and other writing or marks on the goods or on packets in which he offers goods for sale marked differences or indicate clearly a trade origin different from that of the registered proprietor of that mark, would be immaterial. In contrast, in the case of passing off, the defendant may escape liability if he can show that the ‘added matters’ are sufficient to distinguish his goods from those of the plaintiff.

The Court thereby restrained the defendant from using the same style of writing the trade name as that of the plaintiff by adding one “s” in any part of their trade name “K.C.Das”. Also, in the defendant’s changed trade name, viz. ‘K.C.Das Fashions Pvt. Ltd.’, the defendant was restrained from using the stylish font of the plaintiff. The defendant was however, entitled to carry on its business of sale of readymade garments in its own name by defusing the confusion so that the same do not result in deception.

This leads to the conclusion that registration of a trade mark in a particular class offers protection and monopoly to use that mark for the goods/services in that class, but does not offer protection or monopoly for other classes of trademarks. A registered trade mark is infringed by a person if he uses the mark as his trade name or part of his trade name, or name of his business concern, or part of the name of his business concern dealing in goods or services in respect of which the trade mark is registered. However, the law is clear that the remedy against the use of a phonetically, structurally, visually and deceptively similar mark and/or the mark identical with the mark of the plaintiff for other businesses/services can still be sought under an alternate remedy of passing off.
Rectification application for removal of trade mark “FORZID” allowed on the ground of deceptive similarity to the mark “ORZID”

In the matter of United Biotech Pvt. Ltd. Vs. Orchid Chemicals and Pharmaceuticals Ltd. And Ors, the Delhi High Court on July 04, 2011 held that on the question of deceptive similarity of trade mark FORZID with trade mark ORZID, the reasoning and conclusion of the IPAB does not call for interference and thereby dismissed the petition filed by United Biotech Pvt. Ltd.

Facts
The Petitioner United Biotech Pvt. Ltd. (UBPL) was engaged in the manufacturing and selling of pharmaceutical preparations including CEFTAZIDIME injections bearing the trade mark FORZID, since 2002. UBPL made an application for registration of the said trade mark. Respondent No. 1, Orchid Chemicals and Pharmaceuticals Ltd. (OCPL) also manufactured CEFTAZIDIME injections under the trade mark ORZID since 1999. OCPL filed an application for removal of the trade mark FORZID registered in 2002 in Class 5 from the Register of Trade Marks. The Intellectual Property Appellate Board (IPAB) allowed the rectification application on the ground that FORZID was not phonetically dissimilar to ORZID and directed the removal of the trade mark FORZID from the Register of Trade Marks. Hence the present petition.

Issue
• Whether the two competing marks “FORZID” and “ORZID” are phonetically similar
• Whether the defences of acquiescence and honest and concurrent user would be available to the Petitioner
Arguments
The Petitioner contended that the similarity in respect of the generic feature “ZID” would not make UBPL’s mark FORZID deceptively similar to OCPL’s ORZID. Further, the registration in favor of OCPL was in respect of a label mark. The font, color, the trade dress and appearance of the label used by UBPL was different in each respect from the trade dress and get up of the label used by OCPL. Still further, although the composition of the two products may be similar, but their respective prices were markedly different. Therefore, there was no scope for confusion.

The Respondents argued that considering ORZID was a Schedule H drug, there was a real danger of the injection FORZID being supplied to a customer asking for ORZID and vice-a-versa. The dosage of the two injections were different and if wrongly administered could result in serious irreversible side effects. Even the bad handwriting of a doctor on a prescription could lead to confusion and deception. Therefore, the higher threshold for drugs as explained by the Supreme Court of India in the matter of Cadila Health Care Ltd. V. Cadila Pharmaceutical Ltd. (AIR 2001 SC 1952) should apply. Further, the entire mark of OCPL was embedded in the mark of UBPL and therefore the latter’s subsequent adoption of FORZID was not honest. Still further, registration in favor of OCPL was in respect of the device of which the word mark formed an integral and inseparable part and that IPAB had rightly compared the two marks as a whole.

Judgment
The Delhi High Court observed that mere prefixing of the letter F to the mark of OCPL failed to distinguish FORZID sufficiently from ORZID so as not to cause deception or confusion in the mind of an average customer with imperfect recall. The addition as a prefix of the soft consonant F to ORZID did not dilute the phonetic and structural similarity of the two marks. Further, no fault could be found with the approach of the IPAB in comparing the two competing marks as a whole. That is in fact the rule and the dissection of a mark is an exception which is generally not permitted. The anti-dissection rule is based upon a common sense observation of customer behavior.

The Court stated that the marks FORZID and ORZID were used in respect of Schedule H drugs, and this raised the threshold for comparison. The “more rigorous test” as explained by the Supreme Court of India in the Cadila Health Care case would come into play. Admittedly, both FORZID and ORZID were prescription drugs and the dosages of the two drugs were not the same. It would pose a grave risk to health if a person who had been prescribed a dosage of 250 mg CEFTAZIDIME injection (ORZID) was administered a 1,000 mg dosage (FORZID). These are injections administered intravenously and could have a direct and immediate impact. In the circumstances, the mere fact that they were priced differently was not sufficient to hold that the unwary average purchaser of the drugs would not be confused into thinking that one is as good as the other or in fact both were the same drug. Then there was the other real danger that a prescription written for ORZID could be mistaken by the dispenser at the pharmacy shop to be FORZID or vice versa. If it was asked for verbally the phonetic similarity was likely to cause confusion. The health of a person for whom the medicine was prescribed could not possibly be put to such great risk. Thus, on the question of deceptive similarity, the reasoning and conclusion of IPAB did not call for interference.

The Court also stated that it would not be correct for UBPL to contend that the registration held by OCPL does not cover the word mark ORZID. Also, the court is satisfied that the plea of UBPL of acquiescence is not convincing, since there is nothing to show that despite knowing of the use by UBPL of the trade mark FORZID, OCPL took no steps to seek an injunction against UBPL.

For the aforementioned reasons, the Delhi High Court dismissed the writ petition with costs of Rs. 5,000 to be paid by UBPL to OCPL within a period of four weeks.
Lipitor goes Generic on November 30, 2011

The biggest best selling drug of all time, Lipitor, a drug that lowers cholesterol, lost patent protection November 30, 2011. Lipitor’s Generic drug, Atorvastatin will become available now. Pfizer, the company that created Lipitor made huge of profits out of the patent and has been battling generics manufacturer Ranbaxy to protect Pfizer’s generation of funds by Lipitor. Now that Lipitor has lost patent protection and goes Generic, it will be a big loss to Pfizer in terms of revenue generated out of Lipitor. The generic will be cheaper and the drug costs per day will fall for the patients who take Lipitor. The U.S. Food and Drug Administration said it granted Ranbaxy Laboratories Ltd. approval to sell a generic version of Pfizer Inc.’s Lipitor, called atorvastatin calcium.

Source

Disney Enterprises Inc. and its Indian Subsidiary get permanent injunction and damages to the tune of 1 lac.

In the matter of Disney Enterprises Inc and Anr. Vs. Gurcharan Batra and Ors., the Delhi High Court on October 24, 2011 issued a decree of permanent injunction in favor of the Plaintiffs Disney Enterprises seeking a relief for infringement and passing off of their business of merchandising and licensing of distinctive elements associated with their motion pictures and television programs as well as characters from “DISNEY trademark” animated pictures, against 10 defendants. The Plaintiffs possessed both common law trademark rights to the Disney Device Marks, as well as the trademark registrations for a number of Disney Device Marks in more than 58 countries over the world and also had exclusive right to use or authorize the use of the name and physical depiction of the Disney Characters under the trademark and unfair competition laws. Furthermore, the plaintiffs also held registrations under Class-28, which referred to ‘games, playthings gymnastic and sporting articles not included in other classes, decorations of Christmas tree’. While deciding this matter, Justice Manmohan Singh relied upon the judgment of June’s Case (Seville Perfumery Ld. Vs. June Perfect Ld. And F.W. Woolworth and Co. Ltd. (1941) 58 R.P.C. 147), wherein it was observed that “The question of resemblance and the likelihood of deception are to be considered by reference not only to the whole mark, but also to its distinguishing or essential features, if any”. The plaintiffs were also granted a decree of damages to the tune of 1 lac against the defendant.
Amendment in a claim, as allowed in an earlier matter, cannot be read as amended claim in the present matter, without amending the pleadings.

In the matter of Glaverbel S.A Vs. Dave Rose & Ors. the Delhi High Court on November 02, 2011 held that the amendment in the claim in the Plaintiff’s patent, as permitted by a previous order passed in another matter cannot be read in the present case without amending the pleadings of the present case and that the said amendment cannot be read as the amended claim in the present case. The Plaintiff relied on an order passed by the court in an earlier suit, wherein the court has held that the amendment is allowed as being a clarificatory one and the same does not attract the provisions of Sections 58 and 59 of the Patents Act, 1970. In the present case, Justice A. K. Pathak relied on the principle that the judgment has to be pronounced in a case on the pleadings and the evidence adduced i.e. either documentary or ocular, in the case and that no judicial notice of the facts emerging from the pleadings and the evidence led in some other case can be taken for deciding the controversy between the parties in a different case. Subsequent events can be considered only if the same are brought on record by seeking the necessary amendment in the pleadings and not by noticing the same from the facts emerging from the pleadings and the documents of other cases which may have not been referred to in the reports. The fact that the allowed amendment in the claim has not yet been recorded by the Patent Office in its record, which is evident from the certified copy of the patent issued by the Patent Office after more than 6 months of the order allowing amendment in the claim and that the plaint also contains unamended claim, the Court held that although the Plaintiff can refer the earlier order passed at the time of hearing but same cannot be permitted to be taken on record as a document so as to read the amended claim. The amended claim cannot be read in this case without the Plaintiff seeking necessary steps to get the claim amended in case as well.

The Delhi High Court granted ex-parte injunction to Vifor (International) Ltd. in patent infringement case

In a suit filed by Vifor (International) Ltd. (Plaintiff) against D Mohan Rao and Ors. (Defendants), the Plaintiff argued that Plaintiff through its comprehensive, clinical and scientific development programmes had invented an iron replacement product portfolio consisting of its product “Ferinject”, “Venofer” and “Maltofer”. Further, the patent in suit related to the Plaintiff’s invention, which was novel water-soluble iron carbohydrate complex and a process for preparing the same. Defendant No.1 who was also involved in the manufacture and marketing of bulk pharmaceuticals products, had launched an infringing product “iron carboxymaltose” also known as “ferric carboxymaltose” from Defendant No. 1 and 2’s website www.symedlabs.com and subsequently from the third party websites wherein Defendant was advertising and offering for sale its infringing version of ferric carboxymaltose compound also known as iron carboxymaltose. Justice Sistani, who decided this case on September 16, 2011, held that this is a fit case for grant of ex parte injunction and in case ex parte injunction is not granted, the Plaintiff would suffer irreparable loss and injury.
US 1st Circuit Court of Appeals affirmed District Court’s grant of summary judgment in favor of L-3 Communications Corporation in a copyright infringement case

Beer giant Anheuser-Busch InBev NV (BUD) and smaller Czech rival in a suit for infringement of copyright filed by Airframe against L-3. Airframe alleged that L-3 copied the ARMS source code to create a replacement aircraft maintenance program titled “M3.” L-3 moved for summary judgment, contending that Airframe had failed to produce sufficient evidence to support a prima facie case of copyright infringement. Held, to survive summary judgment in the present case, Airframe was required to present sufficient evidence of copying (including substantial similarity) with respect to at least one of the ARMS source code versions covered by its copyright registrations. Only evidence of copying presented by Airframe was Rosen’s declaration. Rosen made no direct comparison between the allegedly infringing M3 program and the ARMS source code versions covered by Airframe’s copyright registrations. There was no claim that the 2009 source code was itself registered or that the 2009 version was the same as one of Airframe’s earlier registered versions. Having presented no evidence sufficient to prove the content of its registered source code versions, Airframe could not show that any of its registered works was substantially similar to the allegedly infringing M3 program.

US Federal Circuit Court of Appeals granted relief to Star Scientific Inc. and reversed District Court’s denial of JMOL on non-infringement and District Court’s denial of JMOL on invalidity in a patent infringement case

Held, to prove infringement, a Plaintiff must prove the presence of each and every claim element or its equivalent in the accused method or device. In the present case, the asserted claims deserved the 15th September, 1998 priority date of the provisional application. Williams had not yet contemplated a best mode as of September 15, 1998. Therefore, at the time of filing, the record shows no best mode violation. Without evidence that Williams had possession of a best mode of practicing the claimed invention at the time of filing, the record cannot support invalidity under the best mode requirement. A construed claim can be indefinite if the construction remains insolubly ambiguous, meaning it fails to provide sufficient clarity about the bounds of the claim to one skilled in the art. Whether prior art invalidates a patent claim as obvious was determined from the perspective of one of ordinary skill in the art.
Jury’s award of damages and remand for consideration of Sony BMG Music Entertainment’s motion for common law remittitur reinstated in the appeal filed by the party aggrieved when district court reduced the damage award by a factor of ten.

The Italian government is preparing an anti-piracy law that could ban Internet. The Copyright Act does not make the distinctions between “consumer” and “non-consumer” infringement of the copyrighted materials by copying and distribution. Copyright owners, like Sony, have the exclusive right to reproduce copyrighted works in copies or phonorecords. Tenenbaum downloaded the thirty copyrighted works at issue and distributed those works to innumerable network users. Sony presented extensive testimony regarding the loss in value of the copyrights at issue that resulted from Tenenbaum’s conduct, and the harm of Tenenbaum’s actions to itself and the recording industry, including reduced income and profits, and consequent job loss to employees. The Act contains no requirement that a particular violation of copyright be knowing to constitute a non-willful infringement. An infringement was willful under § 504 if it is “knowing”.

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