RNA, Intellectual Property Attorneys

Keeping up with growth

As the pharmaceuticals industry in India continues to flourish, policing the market and implementing commercial measures to protect brand exclusivity will be a challenging task

Branding in the pharmaceutical industry has its challenges. Restrictions on advertising and promotion are an obvious impediment to the building of brand recognition. Purchase decisions are influenced not only by consumers, but also by prescribing doctors and pharmacists. Further, in order to take advantage of the limited patent protection period, product managers often choose a trademark or brand name that is influenced, to a large extent, by the principal ingredient in the drug or the ailment that it is intended to treat. The objective is to create better brand recall so that doctors, pharmacists and patients can easily associate the mark or name with the product's principal component or ingredient or the ailment which it is intended to treat, thus making it an easier sell.

The general principle of determining similarity between marks is well established: "marks should be compared as wholes. It is not right to take a portion of the word and say that because that portion of the word differs from the corresponding portion of the word, there is no sufficient similarity to cause confusion". However, when it comes to pharmaceutical marks, court decisions tend to vary, and in many cases are inconsistently influenced by factors such as the use of handwritten prescriptions and medical abbreviations, and whether the drug is a prescription-only or over-the-counter drug.

Cadilla – an attempt to homogenise

In order to bring about uniformity in terms of the principles to be applied when comparing marks in the pharmaceutical industry, the Supreme Court laid down the following broad guidelines in landmark judgment *Cadilla Healthcare v Cadilla Pharmaceuticals*, taking into account the realities of the Indian market:

- Although drugs are sold on prescription, actual social conditions and practices must be kept in mind.
- Considering the linguistic variations throughout India, dispensing of drugs by chemists in urban and rural areas could lead to high levels of confusion.
- Strict measures to prevent confusion in the case of medicines should be applied.
- To safeguard the public interest, a lesser degree of proof should be required to prove infringement in a pharmaceutical case if the marks are similar.
- Since confusion related to drugs and medicines could be life threatening, drugs should be treated as poisons, not confectionery.
- In a society such as India, doctors are under tremendous pressure, and therefore any confusion at their level should be mitigated.
- As drugs are available on oral request – even via telephone services – there exists a high risk of confusion.

Cadilla has no doubt helped courts throughout India to adjudicate claims involving medicinal products with a greater degree of certainty based on the Supreme Court's guidelines. Thus, post-*Cadilla*, the courts have avoided examining minor dissimilarities and differences in rival marks and have tended to take a broader view of the entire situation, considering the interests of the general public as a matter of paramount importance.

Cadilla remains an important guiding tool; however, there are two schools of thought in this area, and therefore court decisions still differ.

In one set of decisions, it has been held that rival marks are to be compared as a whole, irrespective of whether any part of the prefix or suffix is taken from the name of a disease, chemical or organ. In the second set of decisions, the marks were split and the portion relating to a chemical, disease or organ name was ignored. In other words, the courts followed the practice of separating marks into their component parts for the purpose of comparison. In light of this, several recent significant decisions can be grouped into the two categories.

Marks to be split for comparison

In *Astra Zeneca v Orchid Chemical & Pharmaceuticals* the Delhi High Court was tasked with resolving a dispute involving the marks MERONEM and MEROMER, derived from the active ingredient meropenem. Applying the splitting theory, the court held that as the term 'mero' was derived from the generic term 'meropenem' and the suffix of both marks was dissimilar, there was no reason to restrain the defendant.

In *Schering Corporation v Alkem Laboratories* the Division Bench of the Delhi High Court was asked to decide whether Alkem's trademarks (ie, TEMOKEM and TEMOGET) were deceptively similar to Schering's marks (ie, TEMODAL and TEMODAR) when the term 'temo' had been derived from the active ingredient, temozolomide. Dissecting the two marks, the court held that, ignoring the 'temo' portion, the marks were dissimilar and therefore there was no occasion to grant an injunction.

Marks compared as a whole

Although the above-mentioned judgments were followed in later cases, the Division Bench of the Delhi High Court recently rejected the dissection theory and applied the anti-dissection rule, holding that two marks should be compared as a whole.

In *United Biotech v Orchid Chemical*

the court held that the marks ORZID and FORZID, derived from ceftazidime, were to be compared as a whole. The court carved out the following rules of comparison:

- Meticulous comparison is incorrect;
- The marks must be compared as a whole;
- First impression is significant;
- A *prima facie* view is inconclusive;
- Structural resemblance must be taken into consideration; and
- Conceptual similarity must be considered.

This judgment was followed in *Himalaya Drug Company v SBL LTD*, which considered the marks LIV 52 and LIV-T, both intended for liver treatment. The Division Bench of the Delhi High Court held that the term LIV-T was similar to LIV-52, despite the fact that the prefix 'LIV' was derived from the word 'liver'. Inevitably, this is not the final word on this issue. There remains a need for clear, simplified and consistent parameters by which to compare marks in order to ensure that consumer interest is protected, while simultaneously ensuring that competition is not stifled.

Medicines are international in character

With the growth of India's generic pharmaceuticals industry, there have been an increasing number of cases in which a local company has adopted an identical or similar brand or name to a multinational pharmaceutical company which has not used that mark in India. The question before the courts in such cases in order to determine which party has stronger rights is whether national or international adoption and/or use of the mark should be considered. The Indian courts have taken the view that adoption should be considered in a global context. This position was summarised by the Supreme Court in *Milment Oftho Industries v Allergan Inc*. In deciding which party had stronger rights in the OCUFLOX mark, the court held that:

> *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 the 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 imperilled. Doctors particularly eminent doctors, medical practitioners and persons or Companies connected with medical field keep abrest 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 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.*

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Examination of pharmaceutical marks

The 2011-2012 annual report released by the controller general of patents shows that of a total of 183,588 applications filed, 16.5% (30,318) were filed in Class 5 – the highest percentage in all classes. However, when it comes to examination, there are no specific guidelines for examining Class 5 marks/applications. The Trademarks Act provides that international non-proprietary names are not registrable. However, where a significant portion of the mark is derived from the name of a chemical, ailment or organ, there is no clear regulation stating whether such marks are registrable. Generally speaking, examiners do not conduct a detailed examination of the product formulation that is intended to be marketed under a brand name in order to determine whether the mark is distinctive. Thus, it is left to the parties to test their rights before the courts, which results in an increased number of disputes in the form of opposition and litigation.

As the pharmaceuticals industry in India continues to grow, new entrants will challenge established brands by introducing products with similar brand elements to established products. Thus, policing the market, and implementing measures to protect brand exclusivity, will be a challenging task. WTR