

Dispute Resolution Hotline

June 17, 2011

PUNITIVE DAMAGES AWARDED BY INDIAN COURT FOR INFRINGEMENT OF TRADEMARK

INTRODUCTION

The Delhi High Court ("Delhi HC") in the case of Pfizer Products Inc. & Anr. ("Plaintiffs") vs. B.P. Singh Tyagi & Anr. ("Defendants")¹ granted injunction against Omax Healthcare Pvt. Ltd. ("Defendant No.2") from manufacture and sale of its product being phonetically and deceptively similar to the registered trademark of the Plaintiffs and punitive damages of INR 1 lakh for act of infringement.

FACTS OF THE CASE

The Plaintiffs are subsidiaries of Pfizer, a large multinational pharmaceutical company with global reputation for high quality products. COREX, a cough syrup is one of the top selling products of the company and is sold in India from 1964. The mark COREX was registered in India under Class 5 vide Trademark No. 213825 since 1963.

The Plaintiffs have filed a suit for injunction, rendition of accounts and damages against the Defendants for marketing their cough syrup under the mark "OREX" being phonetically and deceptively similar to their registered mark being "COREX".

PLAINTIFF'S SUBMISSIONS

It was the submission of the Plaintiffs that usage of the mark "OREX" by the Defendants being deceptively and phonetically similar to the Plaintiff's mark leads to confusion in the minds of the customers. The Plaintiffs also contended that usage of such mark by the Defendants could lead to harming their goodwill and reputation in the market along with creating an impression that the mark was associated with the Plaintiffs. The matter has been proceeded ex-parte as the Defendants did not appear in the matter.

DECISION AND RATIONALE

The Delhi HC granted injunction restraining the Defendant No. 2 from manufacturing, marketing and distributing cough syrup under the mark "OREX" or any mark deceptively similar to that of the Plaintiffs and awarded payment of INR 1 lakh as punitive damages.

The Delhi HC placed reliance on its earlier decision Pfizer Products, Inc and Anr. vs. Vijay Shah and Ors.² wherein it had examined the infringement of Plaintiff's mark in respect of defendant's cough syrup "SOREX". The Delhi HC had discussed the entire jurisprudence on trademark infringement with respect to statutory rights provided under the Trademarks Act, 1999 and claims of passing off under common law.

The question that arises for consideration is whether two competing marks are so similar to create confusion in the minds of people having average intelligence and imperfect recollection. The mark should not create any confusion with regard to the source of the product and business interests of honest manufacturers need to be protected.

It is a settled law that any party using a mark, visually, phonetically and deceptively similar to that of a registered trademark creating confusion in the minds of the customers, would lead to claims of infringement and passing off. Fraudulent usage of deceptive mark amounts to false misrepresentation to the public. No party is allowed to use marks of competitors with the intention of usurping their goodwill and reputation in the market. Colourable usage of marks is not permissible or enrichment upon the brand value created by others.

Despite statutory requirements, cough syrup being one of the most commonly sold drugs is readily available without prescription. People possessing average intelligence and staying in villages might not be vigilant enough to check minute details and products sold with visual and phonetic similarity may cause confusion among customers. Quality of all goods is not similar and could adversely affect the reputation of the registered trademark owner.

On the basis of the above reasoning and trademark jurisprudence in India, the Delhi HC granted injunction against the manufacture, sale and distribution of cough syrup of the defendants under the name of "OREX" or any other name/mark which is phonetically and deceptively similar to the registered mark "COREX". No actual damages or profits earned by the Defendants on account of deceptive and phonetic similarity of the mark were proved. Thus, no actual damages have been awarded but to deter the Defendants from usage of such deceptively similar trademarks, punitive damages have been awarded.

CONCLUSION

The law for infringement of trademarks and passing off has being established through a series of judgments. However, in the present case to deter the Defendants from using phonetically and deceptively similar trademarks punitive damages have been awarded though no actual damages have been established. This move would create deterrence in the minds of users resorting to fraudulent usage/infringing registered marks of established manufacturers and preventing confusion in the minds of customers.

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1 MANU/DE/2146/2011

2 2011 (45) PTC 176 (Del)

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