



Welcome Note

Dear Friends,

I take this opportunity to wish all our clients and readers a very happy and prosperous New Year 2013.

We bring to you vide this newsletter a landmark and a significant judgment delivered by Division Bench of Delhi High Court in pharmaceutical industry argued by us for the brand owner. In 1996, when this case was being heard at the preliminary injunction stage, a Division Bench had declined preliminary injunction on the ground that "LIV" which is an essential feature of a registered trade mark "Liv.52" cannot be subject matter of a monopolistic right as a word derived from an organ namely liver. Consequently, the Court refused to hold "LIV-T" to be objectionable on account of similarity with "Liv.52".

This judgment was followed by Courts all over India from 1996 onwards. Similarity was on account of a component of a mark derived from organ, ailment or salt or component was denied protection even for registered trade mark.

The suit was also dismissed by Single Judge after trial holding that LIV is generic. We have succeeded in appeal before Division Bench which has held that LIV is the essential and distinguishing feature of registered trade mark "Liv.52" and is infringed by use of trade mark "LIV-T". The Court held that the trade marks must be compared as a whole and "LIV" cannot be disregarded.

This judgment is now expected, hopefully to reverse the trend and reinstate pre 1996.

Delhi High Court redefines test for comparing Pharma Marks for deceptive similarity

Liv.52 vs LIV T

The wait for Himalaya Drug Co. was 4 years longer than that of the King Rama who regained his kingdom after a period of 14 years of banishment in the mythological epic Ramayana. Himalaya after a period of 18 long years regained its exclusivity conferred on it in the trade mark Liv.52 on account of registration obtained under the Trade Marks Act.

Liv.52 is Himalaya's flagship brand, certified to feature in the Limca book of Records 2013, as the highest selling herbal drug in India, both in terms of units and rupee value.

Himalaya sometime in 1955 coined the trade mark Liv.52 for its ayurvedic preparation for liver disorder. It may not be difficult to guess that Liv is derived from the organ LIVER, though Liv is not an abbreviation or a medical name for liver.

Himalaya was throughout conscious about its intellectual property and took timely actions against the imitators of trade mark Liv.52. In the year 1996, while contesting the infringement and passing off claim filed by Himalaya against SBL for using LIV-T for its liver tonic, the ex-parte ad interim injunction dated 23.05.1996 granted in favour of Himalaya was confirmed by the Single Judge vide order dated 12.07.1996.

However, the interim injunction order was vacated vide order dated 15.07.1997 by the Division Bench (DB) which was upheld by the Hon'ble Supreme Court.

The Learned Single Judge, while dismissing Himalaya's claim observed that SBL on the basis of search reports have been able to show that LIV is *publici juris*. The Court further observed that while comparing the marks Liv.52 and LIV-T, "LIV" will be considered as the generic and non-distinctive part of the mark and has to be ignored. Therefore, there being no visual, phonetic or structural similarity in the two trademarks, which is likely to cause confusion and deception and use of the mark LIV-T by SBL does not amount to infringement even if the two rival marks are compared as a whole and there were no proceedings instituted by SBL for invalidation of registration of Liv.52.

The judgment was challenged by Himalaya in appeal, which finally came to be heard by the Division Bench of Delhi High Court on the following grounds:

1. Liv.52 was coined and adopted by Himalaya in the year 1955 wherein "LIV" was used stand-alone and is exclusively associated with Himalaya and no one else;
2. Liv.52 has three elements, "LIV" being used stand-alone followed with a period and lastly a numerical, similarly the impugned mark is structurally similar in as much as LIV-T is also a composite mark having similar elements i.e. "LIV" used stand-alone continued with a hyphen and lastly an alphabet. Hence, there is infringement of Liv.52;

3. Single Judge (SJ) compared the competing marks in context with homeopathic and ayurvedic preparations whereas in an infringement action, such distinction does not exist. The registration is for medicinal preparations comprising of all forms of pharmaceutical preparations;
4. SJ made side by side comparison by highlighting differences between alphabet and numerical; thereby dissecting the marks, whereas in law marks have to be compared as whole;
5. SJ while comparing the two marks cannot disregard “LIV” and compare other elements side by side, since our registration is word *per se* and without any ‘disclaimer’. No cancellation was ever filed by SBL against our registration;
6. SJ paid no attention to the principle of “imperfect recollection” and “average intelligence” while examining the structural similarity between the two marks. SBL’s use as SBL LIV-T and difference in packaging was completely erroneous and contrary to the doctrine of “no relevance of added matters” in an infringement action;
7. SJ reliance upon over hundred medicines having prefix LIV on the trade mark register was not supported with any “evidence of actual use in the market” by SBL.



The Division Bench, analysed the evidence lead by the parties and arguments advanced by counsel and allowed the appeal by setting aside the judgment and order dated 3.6.2010.

The DB observed that:

1. Issue complained off by Himalaya of infringement of its trade mark **Liv.52** and another issue based on the defence set up by the SBL that the word LIV is *publici juris* are inter linked to each other;
2. The registration of the **Liv.52** as granted in 1957 was without any disclaimer and was granted in Part-A, which means that the registrar ought to have been satisfied while according the registration as to the factum of the distinctiveness. No cancellation was filed by SBL. Consequently, the registrations of mark Liv.52 granted under the Part A of the old Act being seven years old shall be conclusive as to validity. The court found this discussion missing in the impugned judgment;
3. In order to come to the conclusion whether one mark is deceptively similar to another, the broad and essential features of the two are to be considered. They should not be placed side by side to find out if there are differences; rather overall similarity has to be judged.

4. It is not the right test of a meticulous comparison of two marks, letter by letter and syllable by syllable. It is the person who only knows the one mark and has perhaps an impression, or imperfect recollection of it, who is likely to be deceived or confused. In fact it depends on first impression of a person. In case he is aware or familiar with both rival marks of the parties he will neither be deceived or confused. The degree of similarity between the two rival marks and which depends upon the first impression whether visual or phonetic and in case court finds that there is a risk of confusion which is the public interest should not be allowed;
5. The learned Single Judge made side by side comparison, i.e., letters for letters and numbers for numbers. The test of deceptive similarity laid down by the Supreme Court was not correctly followed by not considering the essential feature of the mark **LIV** being part of registered trade mark **Liv.52**. The findings of the learned Single Judge are not correct and those are contrary to the judgments. As per settled law, it is established principle that both marks are to be compared as a whole.
6. The learned Single Judge has not considered the voluminous evidence produced by Himalaya, several orders obtained, notice issued and undertaking obtained from the various parties using **LIV** as prefix to their respective trade marks. The evidence of PW-3 to PW-6 was completely ignored by the learned Single Judge who had approved survey report of the mark **LIV**. Himalaya was able to adduce the evidence that it was a fit case of likelihood of confusion and deception and the two marks are deceptively similar.
7. Himalaya was able to prove that the **Liv.52** is still distinctive. The customers purchase the product by asking **Liv.52** which is being used for the last more than 57 years. It has also come in evidence that the mark **LIV** is the essential feature of the registered trade mark **Liv.52**. On the other hand, SBL was unable to prove that it is a generic word and became common to the trade. It is also pertinent to mention here that on one hand, SBL's entire case is that mark **LIV** is a generic word and is unprotectable in law, but on the other hand, SBL itself applied for registration of "LIV-T" in the Trademarks Registry for getting the exclusive right before filing of the written statement.
8. Once we arrive at the finding that the **Liv.52** mark is conclusive in registration without any challenge as per section 32, then the conclusion would be that the use of the expression **LIV** in isolation is an infringement of the prominent feature of Himalaya's registered trade mark. As SBL is using the mark **LIV** in isolation, therefore, SBL is not entitled to use the same. However, SBL was permitted to use the mark containing the expression **LIV** not written in isolation and is further accompanied by suffixes, examples of which are given in the written statement i.e. **LIVOGEN, LIVPAR, LIVOSIN, LIVAPLEX, LIVOFIT, LIVA, LIVOL, LIVDRO, LIVAZOL, LIVERITE, LIVERJET, LIVERNUT, LIVERPOL, LIVUP.**

Accordingly, SBL was restrained from using the mark **LIV** as part of its trade mark **LIV-T** while dealing with the medicinal preparations.

From:
Litigation Team
INTTL ADVOCARE
Intellectual Property Consultants and Attorneys
Express Trade Tower
B - 36, Sector - 132
Noida Expressway, Noida
National Capital Region of Delhi
Tel: +91-120-2470200-298
Fax: +91-120-2470299

inttladvocare
INTELLECTUAL PROPERTY ATTORNEYS

