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DSK Legal Knowledge Center

Updates on

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INTELLECTUAL PROPERTY

We, at DSK Legal, have, very recently, been successful in securing an ad interim injunction from the Hon'ble Bombay High Court in favour of Alcon Inc. and Parle Agro. These are the matters in which significant interpretation and judicial observation with far reaching effects have been made by the Hon'ble Court.

In *Alcon Inc. & Anr. v Ajanta Pharma Limited*¹, decided on November 17, 2008 (unreported as yet) where the suit was filed by Alcon for restraining Ajanta from passing off its products using former's trade mark TRAVATAN and infringing the literary work comprised in the product insert used by Alcon under the said trade mark in respect of ophthalmic pharmaceutical products (TRAVATAN is

used on eye drops meant for the treatment of glaucoma and is made from the basic ingredient Travoprost).

The Plaintiff was successful in securing the interim injunction by showing:

- Alcon worldwide registrations for the trade mark TRAVATAN in several countries including India, in respect of ophthalmic pharmaceutical products.
- The international and the Indian sales under the trade mark TRAVATAN.
- That Alcon was the only ophthalmic product in the Indian market with the prefix 'TRAVA'.
- That the Impugned Mark Travaxo was similar to TRAVATAN.
- Alcon relied upon was the decision rendered by the Hon'ble Supreme Court in *Cadila Health Care Ltd. vs. Cadila Pharmaceuticals*

¹ Suit No.2652 of 2008

Ltd.², wherein it has been held that where medicinal products are involved, the test to be applied for adjudging the violation of trademark law may not be at par with cases involving non-medicinal products and a stricter approach should be adopted while applying the test to judge the possibility of confusion of one medicinal product to another by the consumer.

It was also established that Ajanta had acted dishonestly in that the entire product insert of TRAVATAN as available on Alcon's website was also copied, breaching Alcon's copyright in the literary work comprised in the product insert.

Ajanta's contention that there was no similarity between TRAVATAN and TRAVAXO particularly since the prefix TRAV in TRAVAXO was derived from the basic ingredient Travoprost was rejected by the court.

The decision is particularly important since a pre-interlocutory injunction (what is popularly known in India as an 'ad-interim injunction') was granted and it seeks to implement the guidance provided by the Supreme Court in the Cadila case in a strict manner when pharmaceuticals are involved and there is evidence of dishonesty. It also establishes that when there is an overall

² 2001 PTC 541 (SC)

resemblance, it will not be a defense to contend that the prefix (TRAV in this case) is generic since it has been derived from the basic ingredient of the pharmaceutical product (Travoprost in this case).

In Parle Products Private Limited v Parle Agro Private Limited³ decided on December 18, 2008 (unreported as yet), the Hon'ble Court, considering the difference between a house mark and product identification mark, allowed Parle Agro to sell its confectionery products such as Mintrox and Buttercup under the house marks Parle Confi and Parle, subject to a condition that it clearly specified that its products belonged to the 'Jayantilal group', which had no relationship with Parle Products.

Here, Parle Agro (well known for their Frooti and Appy drinks) diversified into confectionery products under their trademarks Mintrox and Buttercup. The said confectionery products of Parle Agro also consisted of the marks Parle Confi and Parle. Parle Products (well known for their Parle- G and other biscuits) contended that it had the exclusive rights to use the mark Parle in relation to confectionery products and that it had obtained registration of the same. Following this, Parle Products dragged Parle Agro to the Bombay High Court. Parle Agro argued that there was no prior memorandum of

³ Suit No.3203 of 2007

understanding or arrangement signed between the two parties, which barred either from using the word 'Parle'. Further, Parle Agro argued that 'Parle' is a 'house mark' while names such as Mintrox and Buttercup for its confectionery products are 'product identification marks'

The decision is important since this is probably the first trademark case in India, which has considered the difference between a house mark and product identification mark.

MONOPOLIES AND RESTRICTIVE TRADE PRACTICES ("MRTP")

Philips Medical Systems (Cleveland) Inc. v. Indian MRI Diagnostic & Research Ltd & Another⁴

Facts-

Philips Medical Systems (Cleveland) Inc ("Appellant") is engaged in the business of manufacturing and selling various medical diagnostic equipments, including 'whole body CT scanner'. Indian MRI Diagnostic & Research Ltd & Another (collectively referred to as "Respondents" and individually as Respondent 1 to 5) negotiated with the Appellant

and Respondent No. 3 for purchase of 'whole body CT scanner'. It is alleged that the Appellant and Respondent Nos. 3 to 5 falsely represented to Respondent No. 1 about the production and quality of the said CT scanner and induced Respondent Nos. 1 and 2 to enter into an agreement with them, though they had knowledge that the CT scanner ordered by Respondent No. 1 was not in production. Respondent Nos. 1 and 2 filed a complaint before the MRTP Commission against the Appellant and Respondent Nos.3 to 5. It is alleged that the Respondent Nos. 1 and 2 had to procure CT scanner from Japan, and as such suffered a loss of Rs. 3,231,885.

MRTP Commission found the Appellant guilty of unfair trade practice. It restrained the Appellant from indulging in such restrictive trade practices and directed the Appellant to pay compensation of Rs.571,439 with interest at 9% p.a. to the Respondent. Hence the present appeal.

Issue-

The question which arose for consideration in these appeals was whether a party can be held guilty of unfair trade practice as referred to in section 36A of the MRTP Act, 1969 ("Act") although he did not sell any goods at all.

⁴ Civil Appeal No. 2461 of 2006

Held-

The Hon'ble Supreme Court on September 29, 2008 held that the interpretation of section 36A of the Act as not being applicable to a situation where goods are not sold at all is too rigid; situations may arise where, though falling under the wider concept of unfair trade practice, may not strictly be covered by section 36A of the Act. There may be situations where a promise to supply a particular good, which the supplier knew that he was in no position to supply, with a motive of promoting some other model, as has happened in the instant case, could occur. In such a case a customer may be forced to obtain the same material from some other party and suffer losses in the process. Even without actual sale of goods, such an act on the part of the supplier could also amount to 'unfair trade practice' and section 36A cannot, in absolute terms, be said not to apply to a situation where goods may not have been sold at all. In fact, such a situation may also be covered by the provisions of sub-clause (ii) or (vi) of sub-section (1) of Section 36A of the Act.

COMPETITION LAW

News Update

In a move to make the Competition Commission of India ("CCI")⁵ fully functional, the Government has appointed the Chairman (Mr. Dhanendra Kumar) and one member (Mr. Harish Chandra Gupta). Further, the Government has announced that three additional members would, soon, be inducted to the CCI. As per media reports, the Government has announced that CCI would become functional and replace the existing Monopolies and Restrictive Trade Practices Commission from April 1, 2009. In addition, the Government has already set the process rolling for head hunting of the Competition Appellate Tribunal ("CAT")⁶. Ahead of making the CCI completely functional, the committee for selection of a chairperson and two members has already been constituted and the Government aims to simultaneously operationalise both the CCI and CAT. It is expected that CAT, would be in place shortly.

⁵ CCI was established in 2003. It was created under the Competition Act, 2002, which was amended by Parliament in September 2007. The CCI aims to ultimately replace the Monopolies and Restrictive Trade Practices Commission, a body established under the Monopolies and Restrictive Trade Practices Act, 1969. Broadly speaking, CCI is an independent body responsible for investigating anti-competitive practices including anti-competitive agreements, abuse of dominant position, regulation of combinations.

⁶ All appeals against the orders of the CCI will be heard by CAT.

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