

Owner of MEXATE mark fails to prevent use of MEXT

Confusion

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Cadila Healthcare Limited has failed to obtain a court order restraining Wallace Pharmaceuticals Private Limited from using the trademark MEXT.

Gujarat-based Cadila has owned the registered trademark MEXATE since 1994. Wallace, a Goa-based company, owns the registered trademark MEXT. Both marks are an abbreviation of the word 'Methotrexate', a basic drug used for the treatment of cancer, rheumatoid arthritis and psoriasis. In 2008 Cadila filed suit before the Ahmedabad District Civil Court seeking an order restraining Wallace from using the trademark MEXT. Cadila alleged that the MEXT mark was an abbreviation of, and was confusingly similar to, its MEXATE mark.

In its defence, Wallace argued that it had applied to register the mark as early as 2002 and that Cadila had not raised any objection. In addition, Wallace submitted that it had developed its brand over the years, regularly using the MEXT mark in various medical journals and other magazines. Wallace also produced sales figures for the period between 2003 to 2007 to demonstrate the extensive use of the mark.

The court pointed out that Cadila and Wallace were the registered owners of the marks at issue. According to Sections 28(3) and 30(2) of the [Trademarks Act 1999](#), in cases involving two similar registered trademarks, use of one mark by one party cannot infringe the other party's mark. Accordingly, Cadila's infringement claim could not survive.

The court nevertheless considered the similarity between the two marks, taking into account:

- the get-up of the goods;
- the packaging;
- the prices;
- the target markets; and
- other relevant factors.

With regard to the get-up and packaging of the goods, the court observed that Wallace sold its product in cardboard packaging, whereas Cadila sold its product in a foil pack. The court thus concluded that the overall get-up of the goods was dissimilar. The court also took into account the fact that the Mext and Mexate products can be obtained only with a doctor's written prescription. Therefore, there was little risk of consumers being confused or deceived.

Under Section 13 the act, chemical elements or international non-proprietary names (INNs) cannot be registered as trademarks. However, pharmaceutical companies have devised ingenious ways to overcome such restrictions. For example, pharmaceutical companies create trademarks based on:

- the name of the organ that the drug intends to treat (eg, LIV-52 for a liver drug);
- the principal ingredient of the drug (eg, CIPRO for ciprofloxacin); or
- the name of the ailment (eg, COLDARIN for a drug against the common cold).

However, such practices have given rise to numerous trademark infringement lawsuits in which a pharmaceutical company alleges that a trademark used by a competitor is deceptively similar to its own mark. The present case is a classic example of such dispute.

Pharmaceutical companies are thus advised to choose their trademarks carefully. A trademark that includes the main chemical ingredient or INN might help to create a link between the name and the product in the consumers' mind, but the owner will have difficulty enforcing its rights in the mark. Descriptive pharmaceutical trademarks cannot be monopolized by one company.

This article is based on media reports, as the judgment of the Ahmedabad court is not currently available.

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