



September 2022

Exclusive use of a trademark derived from a generic name of the drug is not permissible

The Division Bench of the Delhi High Court (“**High Court**”) in the case of *Sun Pharmaceutical Laboratories Ltd. v. Hetero Healthcare Ltd. & Anr.*,¹ held that a trademark which is derived from a generic name of the drug cannot be granted exclusive use. The High Court dismissed the appeal by Sun Pharmaceuticals Laboratories Ltd. (“**Sun Pharma**”) on the ground that there cannot be any monopoly by Sun Pharma since their mark ‘LETROZ’ is derived from ‘LETROZOLE’, which is an international non-proprietary name (“**INN**”) of a salt.

Brief Facts

Sun Pharma has a registration of the mark ‘LETROZ’ under Class 5 of the Trade Marks Act, 1999 (“**TM Act**”)², which is a drug used for treatment of advanced breast cancer. It contains an active ingredient ‘LETROZOLE’. Sun Pharma filed a suit on the grounds of trademark infringement and passing off against Hetero Healthcare Ltd. (“**Hetero**”) for use of the mark ‘LETRO’. The single judge, while dismissing Sun Pharma’s interim application for injunction, held that both marks were derived from a generic name. Hence, no case is made out for grant of injunction.

Aggrieved by the order dated April 29, 2022, dismissing the interim injunction application³ (“**Impugned Order**”), Sun Pharma filed an appeal before the High Court against the Impugned Order. The Appeal was heard by the division bench of Justice Vibhu Bhakru and Justice Amit Mahajan.

Sun Pharma’s contentions:

1. It is one of the largest generic medicine manufacturing pharmaceutical companies in the world. The product LETROZ is being manufactured since 2001. On account of trademark registration, it has a statutory right to exclusive use of LETROZ and hence is entitled to injunction. Hetero is using LETRO since 2017, in order to pass off their goods as those of Sun Pharma and is trying to ride upon the goodwill and reputation earned by Sun Pharma.

¹ 2022 SCC OnLine Del 2580

² NICE Classification by WIPO as per Rule 20 of the Trade Marks Rules, 2017 constitutes Class 5 of Pharmaceuticals, medical and veterinary preparations; sanitary preparations for medical purposes; dietetic food and substances adapted for medical or veterinary use, food for babies; dietary supplements for human beings and animals; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides.

³ CS DJ (Comm.) No. 300/19, Order dated April 29, 2022

2. Sun Pharma placed reliance on judgments in *Automatic Electric Limited v. R.K. Dhawan*⁴ and *Ajanta Pharma Limited v. Sunways (India) Pvt. Ltd.*⁵ to state that generic marks are also capable of being protected through injunctive relief.

Hetero's submissions:

1. Hetero submitted that marks of Sun Pharma and Hetero were derived from 'LETROZOLE' which is an INN of a salt and Sun Pharma does not have exclusive right over it and cannot claim monopoly. Additionally, Sun Pharma has been aware of the use of the mark by Hetero. In terms of Section 33 of the TM Act⁶, it has acquiesced to it.
2. LETERO is a registered trademark of Hetero and is coined by combining the first two letters of the salt LETROZOLE with the last four letters of Hetero. It has various trademarks in which it has been combining last 4 letters of Hetero.
3. Hetero placed reliance on the list of INN issued by the Office of the Controller General of Patents, Design and Trade Marks, Ministry of Commerce and Industry, Government of India ("**Controller**") which shows that LETROZOLE is an INN and cannot be registered. Section 13 of the TM Act⁷ provides that no word which is declared by the World Health Organization ("**WHO**") and notified in a prescribed manner by the Registrar of Trademarks as an INN can be registered as a trademark.

Decision and findings of the High Court

1. The High Court referred and relied upon the judgment in *Schering Corporation v. Alkem Laboratories Ltd.*⁸ ("**Schering**"). In *Schering*, the single judge had refused to grant injunction for the mark 'TEMODAL' and 'TEMODOR' against the defendant's marks 'TEMOKEM' and 'TEMOGET' as they were derived from the drug – TEMOZOLOMIDE. The High Court in the present case held that the ratio in *Schering* is applicable to the instant facts.
2. As per Section 13(b) of the TM Act, any name deceptively similar to an INN in the list released by the WHO cannot be registered as a trademark. Hence, Sun Pharma cannot be allowed to monopolize the INN – LETROZOLE.
3. The marks 'LETROZ' and 'LETERO' are not similar because both have adopted the initial letters of LETROZOLE. Both the marks of Sun Pharma and Hetero are derived from the INN – LETROZOLE, which is descriptive of the active ingredient of the drug – LETROZOLE.
4. The High Court also relied on the judgment in *Panacea Biotec Ltd. v. Recon Ltd.*⁹, to state that when a name is derived or coined from the name of the principal ingredient being used in manufacture of the drug, the manufacturer cannot claim any distinctiveness or exclusiveness.

JSA Comment

This is a significant judgment on non-exclusivity over trademarks which are derived from drug names itself. The High Court elaborates on the provision of Section 13 of the TM Act and implies that the trade mark derived or adopted from the INN, does not give exclusive power to the proprietor for monopolizing the INN or seek injunction against others.

This will have an important bearing on companies, specifically pharmaceutical / healthcare companies that normally coin and register trademarks, from the principal ingredient or the drug used in their product. This will encourage

⁴ (1999) 77 DLT 292

⁵ Suit No. 235 of 2015, Bombay High Court

⁶ Effect of acquiescence

⁷ Prohibition of registration of names of chemical elements or international non-proprietary names

⁸ 2009 SCC OnLine 3886

⁹ 1996 SCC OnLine Del 508

companies to invent new words (rather than coining a name off the ingredient itself) for their products to ensure that they have exclusivity over the trademark and can seek protection thereof.

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