

REPUBLIC OF SOUTH AFRICA



IN THE HIGH COURT OF SOUTH AFRICA,
GAUTENG DIVISION, PRETORIA

12/05/2014
CASE NO: 39036/14

(1)	REPORTABLE: YES / NO
(2)	OF INTEREST TO OTHER JUDGES: YES/NO
(3)	REVISED.
..... DATE SIGNATURE

In the matter between:

NOVARTIS AG

Applicant
(Trade Mark Opponent)

and

CIPLA MEDRO (PTY) LTD

Respondent
(Trade Mark Applicant)

J U D G M E N T

MAKUME, J:

INTRODUCTION AND BACKGROUND

[1] This is an application referred to this Court in terms of section 59(2) of the Trade Marks Act 194 of 1993 (the Trade Marks Act). The application comes before this Court pursuant to the following background facts.

[2] On the 17th November 2009 the company CIPLA Medpro (Pty) Ltd (the present respondent) lodged its application for registration of a trade mark "CURIDA" in terms of the Act with the Registrar of Trade Marks. The application is referred to as Trade Mark Application Number 2009/23111.

[3] Novartis AG the present applicant on becoming aware of that application addressed a letter via its attorneys to the Registrar of Trade Marks on the 18th March 2011 and copied the respondent's attorneys in which letter the following is set out:

"We act on behalf of Novartis AG. Our client is considering an opposition against trade mark application number 2009/23111 CURIDA in Class 5. Therefore in terms of Regulation 52(1) please withhold the registration certificate until 25 July 2011."

[4] On the 1st September 2011 the applicant NOVARTIS filed its founding affidavit in terms of section 21 of the Trade Marks Act read with Regulation 19 of the Regulations. There was an answering as well as a replying affidavit. Pleadings became closed on the 12th April 2012.

[5] Section 59(2) of the Trade Marks Act reads as follows:

"Where proceedings in terms of section 21, 24, 26, 27 or 38(8) are pending before the registrar, the registrar may in his discretion refer the proceedings to the court and shall refer the proceedings to the court on written application of all parties to such proceedings."

THE CASE FOR THE APPLICANT (NOVARTIS AG)

[6] The applicant is a company incorporated in accordance with the laws of Switzerland with its place of business at CH-4002 Basel, Switzerland. It operates in South Africa through its wholly owned affiliate or associate called Sandoz International GmbH.

[7] During or about August 2010 the applicant became the registered proprietor in South Africa of trade mark 2008/15000 CURITAZ in Class 5 in respect of pharmaceutical preparations containing piperacillin and tazobactam.

[8] In paragraph 23 of the founding affidavit deposed to by one Mark Goldback and Andrea Felbermeir the applicant says that it opposes the registration of the trade mark CURIDA because there is a real risk that the CURIDA trade mark will cause a substantial number of members of the public to be deceived or confused as to the nature of the product and into buying the wrong goods with potentially serious consequences causing harm to the applicant and the applicant's reputation.

[9] In his application for registration of the trade mark CURIDA the respondent specifies the Class 5 products it will manufacture under the trade mark it reads as follows:

“Pharmaceutical and veterinary preparations sanitary preparations for medical purposes, dietetic substances adapted for medical use, food

for babies, plasters, materials for dressing, material for stopping teeth, dental wax, disinfectants, preparations for destroying vermin, fungicides, herbicides, antibiotics for human use, pharmaceutical products exhibiting antibacterial activity."

[10] In conclusion the applicant says that taking into account the clear similarities and the allusions to and association with the mark CURITAZ that is likely to be created by the respondent's use of the mark CURIDA it is clear that respondent adopted a mark that is confusingly and deceptively similar to the applicant's trade mark. The applicant prays that registration of the CURIDA trade mark should be refused.

THE RESPONDENT'S CASE

[11] The respondent denies that section 10(14) of the Trade Marks Act on which the applicant's case is based is applicable and says that the applicant has failed to prove that the provisions of that section have been satisfied. It is argued that the marks CURIDA and CURITAZ are not identical and not similar; that the use of the mark CURIDA in relation to goods in respect of which it is sought to be registered and which are the same as those in respect of the applicant's mark is registered would not likely deceive or cause confusion. It is further denied that the applicant is an interested person as contemplated in section 21 of the Trade Marks Act.

[12] Secondly the respondent argues that there is no prospect that the notional customer namely qualified medical practitioners will be confused as to the origins of the respective marks or products.

[13] Thirdly it is argued that the deponents to the applicant's founding and further affidavits have not qualified themselves as persons qualified to provide opinion or hearsay evidence on behalf of the applicant especially in respect of the nature of this matter. Jerome Shelley Smith concludes that the applicant's deponents have not provided evidence to support grounds upon which they attempt to rely for the relief sought by the applicant.

[14] The affidavit by Dr Samantha Ann Gregory not only supports the views by Jerome Shelley Smith but takes the matter further and says that the applicants have made an attempt to broaden the specification of the CURITAZ trade mark in that they make reference to the mark being used in respect of "*an antibiotic*" when in fact CURITAZ is registered in respect of a limited specification namely "*pharmaceutical preparations containing piperacillin and tazobactam*".

[15] Dr Gregory goes on to say that CURITAZ is a Schedule 4 pharmaceutical preparation and can only be prescribed by medical practitioners for intravenous application by clients. It is further argued that the prefix CURI is used in many pharmaceutical products and similar goods and that this has not caused any confusion or deception in the market.

[16] The respondent finally makes reference to section 22A(5) of the Medicines and Related Substances Act Number 101 of 1965. The respondent says that because CURITAZ is a Schedule 4 medicine it may not be sold to the public directly it can only be provided through a doctor's recommendation. Accordingly it is argued that the applicable legal regime makes it impossible for ordinary members of the public to confuse the two medicines. The decision lies with experienced medical practitioners not the client. There is no likelihood that medical practitioners would be confused by the use of the two names.

THE ISSUES TO BE DETERMINED

[17] In my view the key and critical issues to be decided in this matter are the following:

- 17.1 Whether the applicant has authorised these proceedings and whether the deponents to the founding affidavit are properly qualified to testify on the subject matter of this application.
- 17.2 Whether the trade mark CURIDA is likely to cause deception or confusion as contemplated in section 10(14) of the Trade Marks Act in respect of the applicant's CURITAZ trade mark.
- 17.3 Is the applicant an interested person as contemplated in section 21 of the Trade Marks Act?

[18] I will deal with each of the issues hereunder.

AUTHORITY TO INSTITUTE PROCEEDINGS

[19] It is common cause that prior to the hearing of this application the applicant's attorneys Messrs Adams and Adams addressed a letter to the respondent's attorneys on the 12th August 2015. In that letter they attached copies of two powers of attorney one dated the 20th December 2010 and the other dated the 16th December 2011 in terms of which Mr Goldbach and Ms Felbermeir were authorised to sign documents on behalf of NOVARTIS AG in connection with litigation relating to IP before a court or government agency including South Africa.

[20] The applicant's attorneys enquired whether the issue of authority to institute proceedings would still be persisted with on the day of the hearing in view of the abovementioned documents, to this the respondent replied by letter dated the 13th August 2011 in the following words:

"The Power of Attorney records that they are authorised to sign documents on behalf of the company, solely in connection with litigation and for no other purposes. This does not on the face of it appear to authorise them to institute litigation, but only to sign documents for purposes of litigation once it has been decided to institute.

Accordingly what they have yet to do is to provide evidence of the fact that the Opponent has passed a resolution to institute these proceedings.

Based on the receipt of the Power of Attorney we can accept the authority to sign documents on behalf of the Opponents but until they

provide a resolution authorising the institution of proceedings by the Opponent this point remains in contention.”

[21] In our law the authority to act in action or motion proceedings is governed by the provisions of Rule 7(1) of the Uniform Rules of Court. The question whether the applicant’s deponents are authorised to act or not was in my view settled in the words of Flemming DJP in the matter of *Eskom v Soweto City Council* 1992 (2) SA 703 (W) at page 705 the following was said:

“The developed view, adopted in Court Rule 7(1), is that the risk is adequately managed on a different level. If the attorney is authorised to bring the application on behalf of the applicant, the application necessarily is that of the applicant. There is no need that any other person, whether he be a witness or someone who becomes involved especially in the context of authority, should additionally be authorised. It is therefore sufficient to know whether or not the attorney acts with authority.”

[22] In the present matter the applicant’s attorneys Adams and Adams addressed a letter to the Registrar of Trade Marks and copied the respondent’s attorneys informing them that they act on behalf of NOVARTIS AG and that their client was considering opposing the registration of the respondent’s trade mark application number 2009/23111 CURIDA Class 5.

[23] The authority to act was given to the attorneys and in my view this is sufficient. If the respondents were not satisfied with the authority they should have invoked the provisions of Rule 7(1) which read as follows:

“Subject to the provisions of subrule (2) and (3) a power of attorney to act need not be filed but the authority of anyone acting on behalf of a party may within 10 days after it has come to the notice of a party that such a person is no acting or with the leave of the court on good cause shown at any time before judgment be disputed whereafter such person may no longer act unless he satisfies the court that he is authorised so to act and to enable him to do so the court may postpone the hearing of the action or application.”

[24] When this application was transferred to this Court in terms of section 59(2) of the Trade Marks Act the procedure in connection with applications in the High Court which is governed by the Uniform Rules of Court became applicable. The respondent should have at that time raised its objection formally in accordance with Rule 7.

[25] I am accordingly satisfied that the applicant authorised its attorneys to institute the proceedings and for such purposes nominated Mr Goldbach and Ms Felbermeir to depose to the affidavits in support of the application (see in this regard *First Rand Bank Limited v Fillis* 2010 (6) SA 565 (ECP at 569D as well as *Gines and Another v Telecom Namibia Ltd* 2004 (3) SA 615 (SCA) at 624F-H).

WILL THE TRADE MARK CURIDA CAUSE DECEPTION OR CONFUSION
AS CONTEMPLATED IN SECTION 10(14) OF THE TRADE MARKS ACT IN
RESPECT OF THE APPLICANT CURITAZ TRADE MARK

[26] Section 10(14) of the Trade Marks Act reads as follows:

"The following marks shall not be registered as trade marks:

(14) Subject to the provisions of section 14 a trade mark is identical to a registered trade mark belonging to a different proprietor or so similar thereto that the use thereof in relation to goods or services in respect of which it is sought to be registered and which are the same as or similar to the goods or services in respect of which such trade mark is registered would be likely to deceive or cause confusion unless the proprietor of such trade mark consents to the registration of such mark."

[27] Harms ADP in the matter of *Lubbe NO v Millennium Styles* 2007 (6) (SCA) at paras 2-3 page 692 in restating the principles of trade mark law said the following:

"(2) There are cyber squatters and there are those who squat on the trade mark register. Judged by the papers in this case the Trust is an entity that used the register to stifle competition and not for its statutory purposes.

(3) This practice gives intellectual property a bad name. It also throws serious doubt on whether this part of the law covers anything intellectual."

[28] In order for the applicant to succeed firstly it must satisfy the court that the goods specified in the applicant's trade mark CURITAZ are the same or similar to the goods in respect of which the respondent seeks to register its trade mark CURIDA.

[29] Secondly, the court must be satisfied that the trade marks are so similar to each other that it would likely deceive or cause confusion. The *onus*

rests with the applicant NOVARTIS to establish a reasonable probability of confusion amongst a substantial number of purchasers.

[30] Before considering the merits of the argument in terms of section 10(14) I deem it appropriate to deal with a point *in limine* raised by the respondent. It is denied that the applicant is an interested person as contemplated in section 21 of the Trade Marks Act. This point seems to be based on the argument that the applicant appears not to trade with or use the CURITAZ trade mark in South Africa. The respondent then calls upon the applicant to provide proof of the fact that there is use of the CURITAZ trade mark and that such use qualifies as use in terms of section 38 of the Trade Marks Act.

[31] This argument has no basis and should be dismissed. In the founding affidavit the applicant says that it is the registered proprietor in South Africa of Trade Mark Registration 2008/15000 CURITAZ in Class 5 in respect of pharmaceutical preparations containing piperacillin and tazobactam. In paragraph 6 Mark Goldbach says that the mark is used by the applicant in South Africa in relation to goods for which the mark is registered. I have already accepted that use in this regard refers to use by SANDOZ International GmbH a 100% affiliate of the applicant.

[32] In Webster and Page (South African Law of Trade Marks para 2.15) after referring to the judgments in *Ex Parte Stubbs: In re Wit Extensions Ltd*

1982 (1) SA 526 (W) at 529H and *Nieuwoudt v The Master* 1988 (4) SA 513

(A) at 522D described an interested person as follows:

“It would appear that those who would be interested in documentation relating to a mark would primarily be persons having some real and direct interest in the mark itself or in the subject matter of an opposition or expungement referred to in Section 10. This would primarily be a financial or proprietary interest relating to or affected by the subject mark and would interests of a trade rival or a registered user or a person in whose favour the mark has been hypothecated or a memorandum entered.”

[33] This point is equally without merit and is dismissed.

[34] In my view the only real issue between the parties is whether or not there is a likelihood of deception or confusion if the CURITAZ trade mark and the CURIDA trade mark were to operate next to each other. In other words is there such a degree of similarity between the applicant's trade mark and that of the respondent as to give rise to the likelihood of deception or confusion.

[35] It is common cause that the registration of the CURIDA trade mark in its intended amended form which will be limited to *“antibiotics, pharmaceutical preparations containing a combination of amoxicillin and clavulanic acid”* and the existing CURITAZ trade mark will both be restricted to use on scheduled products which will only be prescribed by qualified medical practitioners and pharmacists.

[36] The question is whether if that will be the case moving forward is there likely to be confusion or deception in respect of the product offered to the public. When considering the question of the possibility of confusion and section 10(14) this Court must be satisfied that there is a real tangible danger of confusion if the CURIDA trade mark is registered. To achieve this I must take into consideration the actual circumstances in which sales are likely to take place, the nature of the customer and the likelihood of improper articulation.

[37] In considering the nature of the customer it is clear that the two companies will dispense the product via medical practitioners and pharmacists and in my view this goes a long way to limit possibility of confusion because it is only knowledgeable people who will dispense the medicine.

[38] Malan JA writing for the court in the matter of *Adcock Ingram Intellectual Property (Pty) Ltd and Another v CIPLA Medpro (Pty) Ltd* case number 265/20111 [2012] ZASCA 39 a judgment delivered on the 29th March 2012 (SCA) says the following at para [23]:

“The conditions regulating the sale and prescription of prescribed medicines significantly reduced the likelihood of confusion between marks associated with those pharmaceuticals. Two approaches seem possible. These emerge from the following passage in a European case:

‘In some members states the view is taken that a likelihood of confusion should be accepted more readily in the case of medicines on account of the serious consequences that can ensue if the patient takes the wrong product. In other countries the view is taken that pharmaceutical trade marks will not

be confused so easily because the consumer has the assistance of qualified professionals and is particularly attentive to differences between marks for pharmaceutical products because of the importance of taking the right drug.”

[39] In paragraph 5.13.3 of the answering affidavit Jerome Shelley Smith says that use of the CURITAZ product is limited by way of its registration by the Medicines Control Council to the intravenous antibiotic combination of piperacillin and tazobactam. In the replying affidavit the applicant does not deny that the CURITAZ antibiotic will only be administered intravenously and in my view this is another avenue of limiting any confusion or deception between the two trade marks.

[40] The final issue is whether the CURITAZ and CURIDA trade marks are not confusingly similar as to result in a likelihood of deception or confusion.

[41] It is correct that both CURIDA and CURITAZ have the prefix CURI. However what sets the two marks apart is to be found in their suffixes namely “TAZ” and “DA”. There is a further marked difference in the suffixes in that the dominant letter in respect of TAZ is the T whilst the dominant letter in DA is the D. The Z in TAZ takes the two marks further apart. In my view the suffixes TAZ and DA are visually and phonetically different and cannot lead to any confusion or deception. It is the suffixes that in my view will stick in a person’s memory and lastly the two trade marks taken as a whole neither of them is descriptive of the goods to which they apply.

[42] In a similar matter decided by the Canadian Court Honourable Justice Harrington in the matter of *Ratiopharm Inc v Laboratories Riva Inc* case number T407-03 decided on the 18th July 2006 the court had to deal with two trade marks namely CALMYLIN and DAMYLIN. The court reasoned that since there was nothing distinctive in the suffixes it was best to focus on the roots CALM and DAM. The court concluded that the prefix CALM suggests that after taking the medicine one's throat will be quiet and in a state of repose. On the other hand it was found that the word DAM had no pharmaceutical connotation and concluded that no particular meaning could be ascribed to it hence setting the two trade marks apart.

[43] I find the evidence of respondent's witness Shelley Smith and that of Dr Samantha Anne Gregory convincing and satisfactory on this aspect especially as regards the use of the prefix CURI. Annexure "SG5" referred to in the supporting affidavit by Dr Gregory bears witness to this view. The prefix CURI is used in respect of meaning pharmaceutical products and similar goods falling with the goods classified in Class 5, 3 and 10 of the Trade Marks Classifications. The prefix is accordingly not peculiar to the applicant's product range it is widely used.


[44] For the reasons set out above I have come to the conclusion that the applicant has failed to make out a case that the registration of the trade mark CURIDA will cause confusion and deception when compared to its trade mark CURITAZ. Accordingly I make the following order:

44.1 The application opposing the registration of the trade mark CURIDA is dismissed.

44.2 It is directed that the Registrar of Trade Marks proceed to register the respondent's trade mark CURIDA subject to limited specifications namely "*antibiotics, pharmaceutical preparations containing a combination of amoxicillin and clavulanic acid.*"

44.3 The applicant is ordered to pay taxed costs of this application on a party and party scale which shall include costs of counsel.

DATED at PRETORIA on this the day of MAY 2016.



M A MAKUME
JUDGE OF THE HIGH COURT OF SOUTH AFRICA
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