

VARICHEM PHARMACEUTICALS (PVT) LTD
versus
EMCURE PHARMACEUTICALS LIMITED
and
THE COMMISSIONER GENERAL
OF THE ZIMBABWE REVENUE AUTHORITY N.O.

HIGH COURT OF ZIMBABWE
MANZUNZU J
HARARE, 12 May 2021 and 15 June 2022

COURT APPLICATION

G Nyamayi, for the applicant
J Wood, for the 1st respondent
E Mukucha, for the 2nd respondent

MANZUNZU J

INTRODUCTION:

The applicant is a company duly registered in accordance with the laws of Zimbabwe. The first respondent is a *peregrine* company duly registered in accordance with the laws of India. These two parties are in the manufacturing and sale of pharmaceutical products and are proprietors of certain registered trademarks.

The applicant is a proprietor of a registered trade mark in Zimbabwe “VARIFLEX” under registration 412/2002 in class 5 in respect of pharmaceutical, veterinary and sanitary preparations and other products alike. The first respondent is proprietor of a registered trade mark in India “VIFEX”.

RELIEF BEING SOUGHT:

The applicant seeks a final interdict and consequential relief. The application is made in terms of s 9A of the Trade Marks Act, [*Chapter 26:04*] which provides that;

“9A Entitlement to and nature of civil remedies for infringement

(1) Subject to this Act, an infringement of a registered trade mark shall be actionable at the suit of the proprietor and any registered user of the mark.

(2) Subject to this Act, in any proceedings for an infringement of a registered trade mark there shall be available to the plaintiff all such remedies by way of damages, interdict, attachment, the rendering of account, the delivery of improperly marked goods or of articles used or

intended to be used for marking goods or otherwise, as are available in respect of the infringement of any other proprietary right.”

The order sought by the applicant as amended at the hearing is in the following terms:

“IT IS ORDERED THAT:

1. The first respondent be and is hereby interdicted and restrained from infringing applicant’s trade mark number 412/2002 in class 5 by using branding likely to deceive or cause confusion phonetically, in relation to any of the goods for which the mark is registered in particular the use of the words “VIFEX” in relation to any of the goods to which the mark is registered.
2. The first respondent be and is hereby ordered to deliver to the applicant for destruction all products, labels, posters, wrapping, advertising matter and other materials in its possession bearing the registered trade mark or so nearly resembling the trademark of the applicant in particular bearing the name “VIFEX”.
3. The applicant or any of its agents with the assistance of attested members of the Zimbabwe Republic Police be and are hereby granted leave to attach and destroy wherever they are warehoused or stored, any goods that are packaged and or branded to the extent that they are likely to deceive or cause confusion phonetically in relation to any of the goods for which applicant’s mark is registered in particular bearing the name “VIFEX”.
4. Second respondent be and is hereby directed to ensure that first respondent, its agents and or assignees do not import into Zimbabwe any of the goods that have packaging and or branding likely to deceive or cause confusion phonetically in relation to any of the goods for which applicant’s mark is registered in particular bearing the name “VIFEX”.
5. First respondent shall pay cost of suit on a legal practitioner and client scale.”

CAUSE OF ACTION:

The applicant avers that it has extensive and widespread use of the “VARIFLEX” trade mark in Zimbabwe for almost 20 years. Such trade mark is said to be distinctive and synonymous with the applicant upon which the good will and reputation has been built. I recite hereunder the averments from the founding affidavit which sum up the applicant’s cause of action as depicted from paragraphs 12 to 18;

“12. first respondent, its agents and or assignees is producing, marketing and selling a pharmaceutical product under the name and style VIFEX. This is deceptively and or confusingly similar to applicant’s VARIFLEX trademark.

13. first respondent’s use of the trademark VIFEX in relation to pharmaceuticals constitutes a reproduction, imitation or translation of applicant’s trade mark VARIFLEX, with the net effect of causing confusion and or deception towards applicant’s products.

14. The use of the trademark VIFEX is likely to induce or mislead members of the public to believe that goods manufactured and or sold and or offered for sale and or distributed by the first respondent are related to the goods and or products under the trademark VARIFLEX.

15. I must point out that as the goods are ordered verbally, the marks are sufficiently similar phonetically and aurally with the real and substantial likelihood that there is confusion regarding the separate goods or products held under the two trademarks herein.

16. To that end, the continued use by the first respondent of the VIFEX trademark has caused or is likely to cause irreparable harm to applicant. This is simply because sale of the applicant's goods are likely to reduce as customers may end up purchasing first respondent's goods under the misapprehension that they belong to applicant.

17. Further there is real and substantial likelihood that if first respondent's goods are substandard, it has a negative impact of applicant's good will.

18. I must point out that the prejudice suffered by the applicant must be understood against the backdrop of the fact that the trademark relates to the pharmaceutical industry. This is a critical area as it advances the enjoyment of the right to health and concomitantly the right to life."

The first respondent opposed the application firstly on the basis that the application does not meet the pre-requisites of a final interdict. Secondly, that there were disputes of fact which cannot be resolved on paper. Thirdly, that the first respondent's mark VIFEX is not deceptively or confusingly the same or similar to that of the applicant's trade mark VARIFLEX. Further that s 9A of the Act was not applicable and that applicant had an alternative remedy.

It is not in dispute that the mark VIFEX was created and registered by the first respondent in India in 1996. The mark VARIFLEX was created and registered by the applicant in Zimbabwe in 2002. The first respondent has applied for the registration of its mark in Zimbabwe through the Trade Mark Office which authorized the publication of the application inviting objections, if any. In the meanwhile, the Medicines Control Authority of Zimbabwe granted approval for VIFEX syrup to be imported into and sold in Zimbabwe.

It is not in dispute that first respondent's agent imports VIFEX syrup and sells the same within the Zimbabwean market which is also the market for the applicant's VARIFLEX syrup. Such conduct by the first respondent is viewed by the applicant to constitute infringement of its trade mark as provided for in s 8 (1) of the Trade Marks Act which provides that;

" (1) Subject to this section and to sections ten and eleven, a registered trade mark shall be infringed by any unauthorised use in the course of trade, whether as a trade mark or otherwise, of a mark that is identical to the registered trade mark or so nearly resembling it as to be likely to deceive or cause confusion, where that mark is used in relation to the same or similar goods or services as those in respect of which the trade mark is registered."

In opposition the second respondent said the applicant has a remedy under s 86 of the Trade Mark Act which gives the applicant the right to seek redress against violation of its trade mark. The second respondent also said the relief sought against her was incompetent in so far as it does not comply with s 86 of the Act. Further the second respondent said the citation of the Commissioner General was improper as the party to be sued is Zimbabwe Revenue Authority.

I will deal first with the preliminary points and if they do not dispose the matter I will then proceed to deal with the merits.

CITATION OF THE SECOND RESPONDENT

Section 3 of the Revenue Authority Act, [*Chapter 23:11*] states that;

“There is hereby established an authority, to be known as the Zimbabwe Revenue Authority, which shall be a body corporate capable of suing and being sued in its own name and, subject to this Act, of performing all acts that bodies corporate may by law perform.”

No justification has been shown by the applicant for the citation of the Commissioner General as opposed to ZIMRA. This means there is no second respondent before the court. The application as against a non-existent second respondent fails at this stage. See *Pacifique v Commissioner General Department of Customs and Excise, HH 137/18*.

MATERIAL DISPUTE OF FACTS.

Mrs *Wood* submitted that there were disputes of fact surrounding the area of goodwill portrayed by the applicant and other ancillary issues to do with applicant’s reputation in the market. The first respondent also disputes the assertion by the applicant that if the first respondent’s goods are substandard that will affect applicant’s good will.

In *Supa Plant Investments (Pvt) Ltd v Chidavaenzi 2009 (2) ZLR 132(H) at 136 F-G*, MAKARAU JP (as she then was) expressed the following sentiments:

“A material dispute of fact arises when material facts alleged by the applicant are disputed and traversed by the respondent in such a manner as to leave the court with no ready answer to the dispute between the parties in the absence of further evidence.”

While Ms *Nyamayi* did not effectively defend this preliminary point, it nevertheless cannot succeed. This is for the simple reason that all the issues raised can adequately be resolved on paper.

REMEDY UNDER SECTION 86 (4) OF THE ACT.

This preliminary point was raised by Mr *Mukucha* for the second respondent in so far as it relates to it. Mrs *Wood* supported the position. Since we no longer have any application as against the second respondent, the point *in limine* falls away.

INCOMPETENCE OF THE RELIEF SOUGHT.

An attack on the competence of the relief sought which affects the applicability or otherwise of s 9A of the Act was cured by an amendment sought and granted. The preliminary point cannot stand in the face of an amended draft order.

ON MERITS

a) *THE LAW*

The law of trademark protection has origins in both common law and statute. The statutory protection came into being as a result of inadequacies in the protection offered by common law. Trademarks are protected symbols needed by a consumer to distinguish between competing products and services in a market economy. They also show a connection between the goods and the right holder. The law seeks to regulate unfair competition.

The registered proprietor of the trademark obtains the exclusive right to use that trademark in respect of goods for which it is registered. In *Gelatine (Private) Limited v Cairns*

Foods (Private) Limited 2003(1) ZLR 352 the court said,

“It is common cause that once a trade mark is registered it gives the registered owner of the trademark an exclusive right to use it concerning the goods for which it is registered.”

The proprietor also obtains a right to get relief in the case of infringement. (see s 9A of the Act). Section 8 (1) and (2) of the Act lays down conduct which amounts to an infringement of a trademark and possible defences an alleged infringer can raise: The section reads:

“8 Infringement of rights given by registration in Part A or Part B

(1) Subject to this section and to sections *ten* and *eleven*, a registered trade mark shall be infringed by any unauthorised use in the course of trade, whether as a trade mark or otherwise, of a mark that is identical to the registered trade mark or so nearly resembling it as to be likely to deceive or cause confusion, where that mark is used in relation to the same or similar goods or services as those in respect of which the trade mark is registered.

(2) In the case of a trade mark registered in Part B of the Register, no interdict or other relief shall be granted in an action for infringement by virtue of paragraph (a) of subsection (1) if the defendant establishes to the satisfaction of the court that the use of which the plaintiff complains is not likely to be taken as indicating a connection in the course of trade between the goods or services concerned and some person having the right, either as proprietor or as registered user, to use the trade mark.”

The requirements for establishing infringement resulting from use of similar trade marks on similar goods were set out by Webster in his text *South African Law of Trade Marks*, 4th edit at p 12 as follows;

- “(a) use of the registered trade mark or of a mark so nearly resembling is as to be likely to deceive or cause confusion;
- (b) that the use is in relation to the goods or services in respect of which the trade mark is registered;
- (c) that the use is in the course of trade; and
- (d) that the use is unauthorized.”

The requirements for a final interdict are well settled. These are:

- (a) a clear right
- (b) irreparable injury actually committed or reasonably apprehended
- (c) absence of a similar protection by any other remedy;

See : *Setlogelo v Setlogelo 1914 AD 221*

Pauline Mutsa Makoni v Julius Tawona Makoni & Ano HH -820-15

Econet Wireless Holdings v Minister of Information 2001 (1) ZLR 373 at 374 B

Airfield Investments (Pvt) Ltd v Minister of Lands & Ors 2004 (1) ZLR 511

To prove an infringement in terms of s 8 of the Act, the applicant has to prove that the first respondent's VIFEX trade mark is identical to or so nearly resembling its VARIFLEX trade mark as to be likely to deceive or cause confusion, when used in relation to the same or similar goods or services as those in respect of which the trade mark is registered.

ISSUES

The issues for determination are:

1. whether or not first respondent's trade mark infringes the applicant's trade mark
2. if so, whether the requirements for an interdict and consequential relief has been established.

ANALYSIS OF EVIDENCE:

(a) Clear Right

The fact that the applicant has a clear right over its trade mark VARIFLEX is not in dispute. In fact s 9A of the Act confers such right.

(b) Whether or not first respondent's trade mark infringes the applicant's trade mark causing irreparable Injury:

The two trademarks are in relation to a cough syrup. They are described on the packages as "VIFEX syrup" and "VARIFLEX cough syrup" respectively. The packages do not share a common colour. The red colour dominates the VIFEX package and the green colour dominates the VARIFLEX package. While colours are not the determinant factors, they are features which do not escape the eye. There are other features of the package which are also different.

It must be noted that goods under the two trademarks are not sold in a self-serving supermarket. These are products sold in pharmacies where a customer only buys what he/she has asked for.

The applicant's case is that first respondent's VIFEX mark so nearly resembles the applicant's VARIFLEX trademarks so as to deceive or cause confusion. The question is, is there resemblance of the two marks, and if so, is the resemblance such as to deceive or confuse a customer. The catch words therefore are, "resemblance, deceive and confuse."

The applicant submitted that the mark VARIFLEX constitutes 3 syllables being VA-RI-FLEX, with stressed syllables being VA and FLEX marking the initial and last impressions in a pronunciation. Similarly, it was argued, the mark VIFEX has 2 syllables being VI-FEX which constitute stressed syllables in pronunciation of the word. It was summed up that stressed syllables in VARIFLEX are (VA-FLEX) and VIFLEX are (VI-FEX) both of which are orally and aurally similar. The marks are said to be of sufficient similarity phonetically and aurally with a real likelihood of causing confusion.

The first respondent argued that there can be no question of VIFEX mark being a reproduction, imitation or translation of the applicant's VARIFLEX trade mark apart from the letters V.I.F.E.X which are incorporated in the applicant's mark. Despite that it was argued there is no visual confusion between the two marks. Other distinctions were then spelt out.

Having said that, one looks at the likelihood of deception or confusion on the part of a consumer. In assessing the likelihood of confusion regard be to the surrounding circumstances including the nature and composition of the goods, origins of the goods, respective use of the goods, trade channels through which the goods are bought and sold and the classes of likely customers. See *Mobil Oil of Zimbabwe (Pvt) Ltd v Travel Forum 1990* (1) ZLR 67.; *Bon Marche (Pvt) Ltd v Brazier 1984* (1) ZLR 127(HC), *Gold Driven Tobacco (Private) Limited v Maxi Africa Manufacturing (Private) Limited HH 50/20*.

In applying the test the court looks at the circumstances of the case and asks itself the simple question of **whether from the circumstances of the case one can say an ordinary person of average intelligence and proper eyesight is likely to be deceived or confused by the trademarks**, see *Roodezandt Ko-operatiewe Wynmakery Ltd v Robertson Winery (Pvt) Ltd and Anor.* SCA 503/2013.

According to *Puma AG Rudolf Dassler Sport v Global Warming (Pvt) Ltd* 2010 (2) SA 600 (SCA) at 603E;

“the question of the likelihood of confusion or deception is a matter of first impression and... one should not peer too closely at the registered mark and the alleged infringement to find similarities and differences.”

In defining the likelihood of deception or confusion, both parties relied upon the case of *Plascon-Evans Paints v Van Riebeeck Paints (Pvt) Ltd* 1984 (3) SA 623 (A) where the court had this to say;

“In an infringement action the onus is on the plaintiff to show the probability or likelihood of deception or confusion. It is not incumbent upon the plaintiff to show that every person interested or concerned (usually as customer) in the class of goods for which his trade mark has been registered would probably be deceived or confused. It is sufficient if the probabilities establish that a substantial number of such persons will be deceived or confused. The concept of deception or confusion is not limited to inducing in the minds of interested persons the erroneous belief or impression that the goods in relation to which the defendant's mark is used are the goods of the proprietor of the registered mark, i.e. the plaintiff, or that there is a material connection between the defendant's goods and the proprietor of the registered mark; it is enough for the plaintiff to show that a substantial number of persons will probably be confused as to the origin of the goods or the existence or non-existence of such a connection.

The determination of these questions involves essentially a comparison between the mark used by the defendant and the registered mark and, having regard to the similarities and differences in the two marks, an assessment of the impact which the defendant's mark would make upon the average type of customer who would be likely to purchase the kind of goods to which the marks are applied. **This notional customer must be conceived of as a person of average intelligence having proper eyesight and buying with ordinary caution.** The comparison must be made with reference to the sense, sound and appearance of the marks. **The marks must be viewed as they would be encountered in the market place** and against the background of relevant surrounding circumstances. The marks must not only be considered side by side, but also separately. It must be borne in mind that the ordinary purchaser may encounter goods, bearing the defendant's mark, with an imperfect recollection of the registered mark and due allowance must be made for this. If each of the marks contains a main or dominant feature or idea the likely impact made by this on the mind of the customer must be taken into account. As it has been put, marks are remembered rather by general impressions or by some significant or striking feature than by a photographic recollection of the whole. And finally, consideration must be given to the manner in which the marks are likely to be employed as for example, the use of name marks in conjunction with a generic description of the goods.” (emphasis is mine)

The considerations are not exhaustive and they differ from case to case. The main or dominant features of the marks in question as well as the general impression and any striking features, together with their likely impact on the mind of the consumer are all factors to be considered in deciding whether there was a likelihood of confusion or deception- see *Bata Ltd v Face Fashions* CC 2001 (1) SA 844 At 850.

I will now turn to the distinction between the two trademarks. VARIFLEX belongs to Varichem Pharmaceuticals (Pvt) Ltd, the applicant and VIFEX is owned by Emcure Pharmaceuticals Limited, the respondent. VARIFLEX products are manufactured in Zimbabwe while VIFEX products are manufactured in India and imported into Zimbabwe. While the packages are more or less the same size. The VIFEX package is dominantly red in colour and the VARIFLEX package is dominated by a green colour. Another distinction from the get up of the marks is that applicant's is described as "Variflex Cough Syrup" and that of first respondent is described as "VIFEX Syrup." This is how they are described on the certificates issued by the Medicines Control Authority. The marks are different in font, colour and style. In addition to these descriptions, the VIFEX product also carries with it the following descriptive words, "bronchodilator, mucolytic," and the name "Emcure" is added at the bottom of the package.

It was argued for the first respondent that first respondent's product was not just a mere cough syrup but rather one which assists with the respiratory problems. To that end there is on the first respondent's product a picture of bronchial tubes in the lungs. I have already said in this judgment that these two products are sold in Pharmacies not in an open shelf where a customer can walk in, pick the product and pay at the counter without asking for it from a pharmacy sales assistant. The court will take judicial notice that all medicines are ordered orally either through a sales assistant or a pharmacist for prescribed drugs.

Mrs *Wood* submitted that VIFEX syrup was a prescribed drug. No evidence was attached to that effect. Ms *Nyamayi* disputed that as she maintained both syrups were sold over the counter. Either party produced expert evidence as to how the two drugs are sold. All the court was told was that the drugs are sold orally over the counter.

Ms *Nyamayi* also argued that the court's inquiry was limited to the comparison of the two words VARIFLEX and VIFEX. I do not think such a restriction will assist the court in determining whether the first respondent's mark is likely to cause a deception or confusion to

the customer. Two words cannot be examined in abstract without due consideration of the totality of the full circumstances of the case. Ms Nyamayi cited the *Indian Supreme Court case of Cadla Health Care Limited v Cadila Pharnaceuticals Limited 200 PTC 545 (SC)* to support the principle that the need to distinguish between products is greater when the trade mark relate to medical products. This explains why a restrictive approach as advanced by Ms Nyamayi will fall short to achieve a distinction between the products.

When I consider the totality of the distinction of these two products as outlined in this judgment as against the test “whether from the circumstances of the case one can say an ordinary person of average intelligence and proper eyesight is likely to be deceived or confused by the trademarks,” I find that a person of average intelligence will not be deceived or confused by the marks as they are sufficiently distinctive such as to negate the likelihood of deception and confusion among the members of the public.

DISPOSITION

The application be and is hereby dismissed with costs.

Honey and Blankenberg, applicant’s legal practitioners
B W Kahari, respondent’s legal practitioners