THE SUPREME COURT OF APPEAL OF SOUTH AFRICA

JUDGMENT

Reportable

Case No: 265/2011

In the matter between:

ADCOCK INGRAM INTELLECTUAL PROPERTY (PTY) LTD — **First Appellant**

ADCOCK HEALTHCARE (PTY) LTD — **Second Appellant**

and

CIPLA MEDPRO (PTY) LTD — **First Respondent**

THE REGISTRAR OF TRADE MARKS — **Second Respondent**

Neutral citation: *Adcock Ingram v Cipla Medpro* (265/2011) [2012] ZASCA 39 (29 March 2012)

Coram: Farlam, Nugent, Malan and Wallis JJA and Petse AJA

Heard: **8 March 2012**

Delivered: **29 March 2012**

Summary: **Trade mark – removal of – s 10(14) of Trade Marks Act 194 of 1993 – marks 'likely to deceive or cause confusion' – prescription medication – whether patient part of enquiry as to notional consumer – generic substitute – s 22F of Medicines and Related Substances Act 101 of 1965.**

ORDER

On appeal from: the North Gauteng High Court, Pretoria (Prinsloo J sitting as court of first instance):

1 The appeal is upheld with costs.

2 The order of the court below is set aside and replaced with the following order:

'(a) The second respondent is directed to remove trade mark 2004/05322 ZEMAX in class 5 from the register of trade marks in respect of the goods for which it is registered;

(b) The first respondent is ordered to pay the costs of the application.'

JUDGMENT

MALAN JA (Farlam, Nugent and Wallis JJA and Petse AJA concurring):

[1] This is an appeal, with the leave of Prinsloo J, against his dismissal with costs of an application by the appellants to remove from the register of trade marks the trade mark ZEMAX with registration number 2004/05322, dated 5 April 2004, in class 5 of Schedule 3 to the regulations under the Trade Marks Act 194 of 1993 (the Act) in respect of –

'Pharmaceutical and veterinary preparations, sanitary preparations for medical purposes, dietetic substances adapted for medical use, food for babies, plasters, materials for dressings; material for stopping teeth, dental wax, disinfectants; preparations for destroying vermin; fungicides, herbicides.'

[2] ZEMAX is registered in the name of the first respondent (Cipla). The second respondent, the Registrar of Trade Marks, who was cited in his official capacity, did not oppose the application.

[3] The first appellant is the proprietor of the trade mark ZETOMAX with registration number 1998/14391, dated 13 August 1998 and subsequently extended, in class 5 in respect of –

'Pharmaceutical, veterinary and sanitary preparations; dietetic substances adapted for medicinal use, food for babies; plasters, materials for dressings; disinfectants.'

The second appellant is a licensee of the first appellant and manufactures and distributes pharmaceutical products. I shall refer to both appellants as Adcock. Adcock contends that the trade mark registration ZEMAX is an entry wrongly made on the register by virtue of the provisions of s 24, read with ss 10(12) and 10(14), of the Act.

[4] ZETOMAX is a generic medicine. Its active ingredient is Lisinopril, an angiotensin-converting-enzyme inhibitor that is used for the treatment of moderate hypertension and certain cardiac conditions. ZETOMAX is sold in dosages of 5mg, 10mg and 20mg in three blister strips of ten tablets each per pack. The medicine was sold under the name ZESTOMAX until 2001, when its name was changed to ZETOMAX.

[5] ZEMAX is also a generic medicine, containing Lisinopril as its active ingredient, and is used for the treatment of the same conditions.

[6] Cipla was originally granted registration in terms of the Medicines and Related Substances Act 101 of 1965 by the Medicines Control Council for its generic medicine under the name Prilosin, in 5mg and 10mg dosages, but applied in April 2004 for a change from the name Prilosin 5 to ZEMAX 5 and Prilosin 10 to ZEMAX 10. The name change was approved on 29 July 2004. The approval of the Council is required for the name under which a medicine is registered.[1] ZEMAX is sold in blister strips of 10 tablets packed in three strips per pack in dosages of 5mg and 10mg.

[1] Section 15(5) of the Medicines and Related Substances Act 101 of 1965.

[7] Infringement proceedings were instituted against Cipla in the Cape High Court. Judgment in favour of Adcock was given on 9 February 2009 but an appeal to the full bench is pending. These proceedings for expungement were brought because the registration of the ZEMAX was only discovered after judgment was delivered in the infringement proceedings..

[8] Section 24 of the Act permits an interested party to apply for an order removing 'an entry wrongly made in or wrongly remaining on the register', in this case for the removal of the trade mark ZEMAX from the register of trade marks. For reasons that will become apparent, I need deal only with s 10(14), which prohibits the registration of –

'a mark which 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.'

[9] The court below correctly accepted that the onus rested on Adcock to establish a 'reasonable probability' of confusion amongst a substantial number of purchasers.[2] It came to the conclusion that Adcock failed to discharge this burden. It relied primarily on the 1983 judgment in *Adcock-Ingram Laboratories Ltd v Lennon Ltd*.[3]

[10] That case concerned the alleged passing off of a medicinal tablet (Stilpane) as if it was another (Stopayne). The question whether 'the alleged similarity of the trade marks, the colour of the tablets and their formulation' was likely to cause confusion was considered by the court with reference to the specialised market in which prescription drugs are sold. It said that the provision of a prescription drug by a medical practitioner is a 'definitive, deliberate act' with full knowledge of the contents

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[2] *SmithKline Beecham Consumer Brands (Pty) Ltd (formerly known as Beecham South Africa (Pty) Ltd) v Unilever plc* 1995 (2) SA 903 (A) at 910B.

[3] Two separate appeals were heard together, and are reported under the names *Adcock-Ingram Laboratories Ltd v SA Druggists Ltd & another; Adcock-Ingram Laboratories Ltd v Lennon Ltd* 1983 (2) SA 350 (T) at 362-364; [1983] 4 All SA 68 (T) at 79-81. Only the second appeal is relevant to this case. See also *Triomed (Pty) Ltd v Beecham Group plc & others* 2001 (2) SA 522 (T) at 550-1.

of the medicine and its pharmacological action. The medical practitioner will not rely on a vague recollection of the medication. Nor will the pharmacist be confused since he may sell only on prescription. When he is in doubt he would refer to the script or back to the medical practitioner. Sales to institutions are usually made on tender, with detailed specifications of the product tendered for, leaving little room for confusion. Moreover, in these institutions, such as hospitals, medication is dispensed on prescription of medical practitioners by pharmacists.

[11] Furthermore, as far as the patient was concerned, it was said that although he or she may well know the name of the product he or she was using –

'he may know that it emanates from some particular source – he may even know that it is a product from the appellant's laboratories, but he can make no use of such information. The patient cannot go to his chemist and insist on being supplied with [the product], he must first go to the doctor – and even here he cannot insist upon being prescribed [the product]. It is the doctor's responsibility as to what the patient should have, and his alone. It follows that the only sphere in which confusion could arise is on the prescription by the medical practitioner, and that probability I have eliminated.' [4]

[12] The court below also disposed of the argument advanced by Adcock that for the purposes of s 10(14) of the Act a comparison should be made of all the goods in respect of which the competing trade marks were registered. The enquiry, it was argued, was not limited to a comparison between ZEMAX and ZETOMAX as prescription medicines, but involved a consideration whether there could be confusion among a substantial number of notional consumers of 'pharmaceutical, veterinary and sanitary preparations; dietetic substances adapted for medicinal use, food for babies; plasters, materials for dressings; disinfectants', in respect of which ZETOMAX was registered. The case Cipla had to meet, the court below found, was confined to a comparison between hypertensive pharmaceutical products. Since there was no suggestion in the evidence that Cipla was manufacturing or distributing any of the other products within the ZETOMAX registration under the ZEMAX trade mark or that it had 'the slightest inclination to do so in the future' the application was rejected on this basis as well.

[4] 1983 (2) SA 350 (T) at 363C; [1983] 4 All SA 68 (T) para C11 at 80.

[13] Although Adcock relied on the wider enquiry in its notice of application for leave to appeal it indicated in its heads of argument in this court that it was not proceeding on this ground. However, the approach to be taken in determining the question whether a trade mark is precluded from registration by s 10(12) or s 10(14) is a matter of law.

[14] Section 10(14) prohibits the registration of a mark which 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'.

[15] The trade marks ZEMAX and ZETOMAX were both registered in class 5 in respect of partly the same goods. The registration of neither was limited to pharmaceutical preparations, least of all prescription medicines. Section 10(14) prohibits the registration of a mark that is so similar to a registered trade mark belonging to a different proprietor that the use thereof in relation to goods or services in respect of which it is or 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. The class in respect of which ZEMAX is registered is not limited to 'pharmaceutical preparations' but includes a host of other goods. In particular, a pharmaceutical preparation under that name could be made available to the public otherwise than on the basis of a prescription by a medical practitioner. It was stated in *Bristol Laboratories Inc v Ciba Ltd*:[5]

'The appellant has applied for the registration of his mark in respect of all goods in Class 3. It could therefore place on the market a preparation which might also be readily procurable without prescription. It may be that the goods in respect of which it intends to use the mark .

[5] *Bristol Laboratories Inc v Ciba Ltd* 1960 (1) SA 864 (A) at 871C-E. Section 17(1) of the Trade Marks Act 62 of 1963, the precursor of s 10(14), provided: 'Subject to the provisions of subsection (2), no trade mark shall be registered if it so resembles a trade mark belonging to a different proprietor and already on the register that the use of both such trade marks in relation to goods or services in respect of which they are sought to be registered, and registered, would be likely to deceive or cause confusion.' See G C Webster and N S Page *Webster and Page South African Law of Trade Marks, Unlawful Competition and Trading Styles* (1997) 4 ed by C E Webster and G E Morley paras 6.6.5 and 6.12 for a comparison of the two sections.

. . are ethical preparations which can only be dispensed on a doctor's prescription, but this factor is in no way conclusive. The question is not what the appellant says it intends doing, but what it will be permitted to do if its application is granted in respect of all goods in Class 3. In my opinion it is correct to say, as Romer, J., held in *Jellinek's Application*, 63 R.P.C. 59 at p. 78, that

"The *onus* must be discharged by the applicant in respect of all goods coming within the specification applied for, and not only in respect of those goods on which he is proposing to use (the mark) immediately, nor is the *onus* discharged by proof only that any particular method of user will not give rise to confusion; the test is: *What can the applicant do?*"' (My emphasis).

The reason for the rule embodied in s 10(14) is, as was stated by Lord Macnaghten in *Eno v Dunn*,[6] the protection of the public: 'The question is one between Mr Dunn and the public, not between Mr Eno and Mr Dunn. It is immaterial whether the professed registration is or is not likely to injure Mr Eno in his trade.'

[16] The court below was of the view that Adcock had not made out a case for the purposes of s 10(14) calling for a comparison of all the goods in the specification of ZEMAX. I do not agree. It is difficult to understand what else should have been pleaded or what other evidence could have been presented to address this issue. So far as both trade marks are registered in respect of goods that are obtainable without prescription, the market is the ordinary consumer. I have no doubt that there is likely to be confusion when the marks are applied to such goods. This was never seriously challenged by Cipla. Its entire argument was based on a restricted use confined to prescription medication.

[17] However, under s 24(1) of the Act the court or the Registrar rectifying entries in the register of trade marks, 'may make such order for making, removing or varying the entry as it or he may deem fit'. A court or the Registrar exercising a discretion under s 24(1) may, thus, excise some of the goods in respect of which the trade mark under attack was registered.[7] Counsel for Cipla submitted that in those circumstances we should expunge the trade mark for all but 'pharmaceutical

[6] *Eno v Dunn* (1890) 15 App Cas 252 (HL (E)) at 264 and see the discussion in Webster and Page para 6.12.

[7] *Century City Apartments Property Services CC & another v Century City Property Owners' Association* 2010 (3) SA 1 (SCA) para 50 and cf *Arjo Wiggings Ltd v Idem (Pty) Ltd & another* 2002 (1) SA 591 (SCA) paras 13 ff.

preparations containing Lisinopril'. I will assume for present purposes that this is a proper case in which to limit the registration to only those goods if, indeed, there is no likelihood of confusion when applied to those goods. On the assumption that this is a proper case for the limitation of the registration of ZEMAX to the goods referred to I will consider whether the two marks are so similar as to be likely to deceive or cause confusion.

[18] Cipla's case in that regard is that there is no probability of confusion or deception arising between the marks when they are compared in the context of the specialized pharmaceutical market in which the two marks would then be employed.

[19] Cipla relied on the approval of the name ZEMAX by the 'naming committee' of the Medicines Control Council. Section 9 of a document issued by the Council for general information deals with its 'proprietary name policy'. In considering the safety of a product the Council is obliged to consider whether a proposed name 'could potentially pose public health and safety concerns or if it may be misleading'. Public health considerations are said to be paramount 'in determining whether a particular proprietary name may be used for a medicinal product' (section 9). In section 9.1.6 it is provided that the proposed proprietary name 'should not be liable to cause confusion in print, handwriting or speech with the proprietary name of another product.' Where the name proposed is identical to or too similar to a name already approved the applicant must be advised. Any dispute, however, must be resolved between the parties and not by the Council (section 9.1.8). Cipla argued that, because no objection was made to registration of the name ZEMAX by the Council, it could be concluded that neither the 'naming committee' nor the Council considered that ZEMAX would be confused with ZETOMAX. This may well have been the view of the Council but its view is irrelevant and inadmissible for the purpose for which it was tendered. It is the function of the Registrar or the court to consider whether the trade marks ZEMAX and ZETOMAX are 'so similar' that their use 'would be likely to deceive or cause confusion'. Section 9.3.1 of the document, in any event, recognises that '[t]he issue of whether a particular proprietary name may constitute an infringement of another entity's intellectual property rights cannot be one of the Medicines Control Council's concerns and is, therefore, not taken into account during consideration of the acceptability of a proposed proprietary name'.

[20] Although some weight may be given to the fact that the Registrar of Trade Marks raised no objection to the registration of ZEMAX, a court is at large to exercise its own discretion concerning the registration of trade marks.[8]

[21] Both ZEMAX and ZETOMAX are products that fall under Schedule 3 of the Medicines and Related Substances Act and may be sold only by pharmacists, a pharmacist's intern or assistant acting under the personal supervision of the pharmacist, manufacturers and wholesale dealers, medical practitioners and dentists, veterinarians, practitioners and nurses or persons registered under the Health Professions Act 56 of 1974 and then only under strict conditions.[9] Generally, only a medical practitioner may prescribe a Schedule 3 substance and a pharmacist may dispense it only on prescription.

[22] In the replying affidavit Adcock sought to extend the market to pharmaceutical wholesalers, hospitals and state hospitals alleging that there was no guarantee that persons at these institutions responsible for buying products were either practising pharmacists or doctors. With regard to pharmaceutical wholesalers s 22A of Medicines and Related Substances Act requires a qualified pharmacist to oversee and control the buying and selling of pharmaceutical drugs. Large orders from, for example, private hospital groups and tender boards from the Department of Health, are negotiated with the pharmaceutical companies directly. Section 22C, in addition, requires wholesalers and distributors to be in possession of permits to carry out their functions, and the permits are to be issued only on such conditions 'as to the application of such acceptable quality assurance principles and good manufacturing and distribution practices as the council may determine' (s 22C(1)(*b*)). Regulation 19 of the General Regulations under Act 101 of 1965 imposes further limits by requiring the distributor or wholesaler to 'appoint and designate as such a pharmacist who will control the manufacturing or distribution of medicines, Scheduled substances or medical devices'. The Medicines Control Council has also distributed a document 'Good Wholesalers Practice for Wholesalers, Distributors and Bonded Warehouses'

[8] *Judy's Pride Fashions (Pty) Ltd v Registrar of Trade Marks* 1997 (2) SA 87 (T) at 92C-E.
[9] The conditions under which a Schedule 3 substance may be sold, prescribed, possessed etc are set out in Medicines and Related Substances Act 101 of 1965, ss 22A ff.

dated 6 June 2003 requiring key personnel to have the education, training and experience to discharge their duties, inter alia, the 'handling and storage of medicine … to prevent confusion of products'. These control measures, no doubt, lessen the likelihood of confusion or deception.

[23] The conditions regulating the sale and prescription of prescribed medicines significantly reduce the likelihood of confusion between marks associated with these pharmaceuticals.[10] Two approaches seem possible. These emerge from the following passage in a European case –

'In some Member 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.'[11]

The court below followed the second approach. However, in *Organon Laboratories Ltd v Roche Products (Pty) Ltd*[12] Botha J said:

'It seems to me, however, that in the cases quoted the Courts were mainly concerned with drawing a distinction between products freely available to the public and products which could only be dispensed on a doctor's prescription. In the latter case, the possibility of errors is substantially lessened by the various safeguarding circumstances, such as the fact that the product can be sold only on the written authorisation of a doctor, and the fact that the nature of the product requires the exercise of particular care on the part of both the doctor and the dispensing pharmacist. (But even in this type of case, assuming that a differentiation will be made between the various products as such, it occurs to me that the possibility of confusion as to the *origin* of similar products having common features in their marks might yet require scrutiny).'

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[10] *Adcock-Ingram Laboratories Ltd v SA Druggists Ltd & another; Adcock-Ingram Laboratories Ltd v Lennon Ltd* 1983 (2) SA 350 (T) at 362 ff; [1983] 4 All SA 68 (T) at 79 ff; *Organon Laboratories Ltd v Roche Products (Pty) Ltd* 1976 (1) SA 195 (T) at 200A-F.

[11] *Choay SA v Boehringer Ingelheim International GmbH* [2001] ETMR 64 para 19 and see Jeremy Phillips *Trade Mark Law A Practical Anatomy* para 16.32 ff.

[12] *Organon Laboratories Ltd v Roche Products (Pty) Ltd* 1976 (1) SA 195 (T) at 200D-G and cf the remarks of Jeremy Phillips *Trade Mark Law A Practical Anatomy* para 16.32 ff.

[24] The remark in *Adcock-Ingram Laboratories Ltd v Lennon Ltd*, referred to above, that it is the 'doctor's responsibility as to what the patient should have, and his alone', has a sense of unreality in modern circumstances, where patients play, and are expected to play, an active role in relation to their own health. It reduces the patient to a passive bystander in the process of providing him or her with treatment and medication. Such an approach is hardly reconcilable with s 8 of the National Health Act 61 of 2003 which gives the patient the right to participate 'in any decision affecting his or her personal health and treatment'. Patients often discuss their medication among themselves and with their doctors. They exchange information on which product they find most efficacious. This information may then be discussed with their doctors or pharmacists when the issue of substituting a medicine for a generic or the more expensive innovator product is raised. Often they provide the names of their medicines, particularly chronic medication, to the medical practitioners treating them. They discuss the advantages and disadvantages with them. They consider different options. In a case of emergency a Schedule 3 medicine may be sold, for use during a period not exceeding 30 days in accordance with the original prescription, if the pharmacist is 'satisfied that an authorised prescriber initiated the therapy'[13] – clearly on information provided by the patient. Whatever the position may have been in 1983, the patient is no longer a passive bystander when treated and receiving prescribed medication.

[25] The provisions of s 22F of the Medicines and Related Substances Act widen the scope of the enquiry to be made. Section 22F deals with generic substitution or interchangeable multi-source medicines, and, it was submitted, envisages a situation where the patient forms part of the decision-making process thereby increasing the likelihood of deception or confusion. It provides as follows:

'Generic substitution.—

(1) Subject to subsections (2), (3) and (4), a pharmacist or a person licensed in terms of section 22C (1) (*a*) shall —

(*a*) inform all members of the public who visit the pharmacy or any other place where dispensing takes place, as the case may be, with a prescription for dispensing, of the benefits of the substitution for a branded medicine by an interchangeable multi-source

[13] Section 22A(6)(*l*) of the Medicines and Related Substances Act.

medicine, and shall, in the case of a substitution, take reasonable steps to inform the person who prescribed the medicine of such substitution;

(*b*) dispense an interchangeable multi-source medicine instead of the medicine prescribed by a medical practitioner, dentist, practitioner, nurse or other person registered under the Health Professions Act, 1974, unless expressly forbidden by the patient to do so.

(2) If a pharmacist is forbidden as contemplated in subsection (1) (*b*), that fact shall be noted by the pharmacist on the prescription.

(3) When an interchangeable multi-source medicine is dispensed by a pharmacist he or she shall note the brand name or where no such brand name exists, the name of the manufacturer of that interchangeable multi-source medicine in the prescription book.

(4) A pharmacist shall not sell an interchangeable multi-source medicine —

(*a*) if the person prescribing the medicine has written in his or her own hand on the prescription the words “no substitution” next to the item prescribed;

(*b*) if the retail price of the interchangeable multi-source medicine is higher than that of the prescribed medicine; or

(*c*) where the product has been declared not substitutable by the council.’

[26] An ‘interchangeable multi-source medicine’ is defined as ‘medicines that contain the same active substances which are identical in strength or concentration, dosage form and route of administration and meet the same or comparable standards, which comply with the requirements for therapeutic equivalence as prescribed’. Section 22F requires a pharmacist to inform members of the public visiting the pharmacy with a prescription for a ‘branded medicine’ (which, it seems to me, can be both the innovator product or a generic substitute) of the benefits of a generic substitute for the ‘branded’ product. He must then substitute the generic for the prescribed medicine unless he is forbidden to do so by the patient. The pharmacist, however, may not do so if the person prescribing the medicine has written on the prescription the words ‘no substitute’.

[27] It was submitted that the effect of s 22F was to extend the notional consumer to people beyond the prescribing doctor and pharmacist to include also the patient or ultimate consumer. Support for this view is found in the Canadian judgment in *Ciba-Geigy Canada Ltd v Apotex Inc; Ciba-Geigy Canada Ltd v Novopharm Limited*,[14] a

[14] [1992] 3 SCR 120; 1992 CanLII 33 (SCC); 95 DLR (4th) 385, indexed as *Ciba-Geigy Canada Ltd v Apotex Inc*.

passing-off matter where similar legislation was considered. The question that arose in that case was whether the customers of pharmaceutical laboratories consisted only of physicians, dentists and pharmacists 'or are the patients to whom the drugs are dispensed also included?' The court there dealt with the provisions of the Prescription Drug Cost Regulation Act, 1986 dealing with an 'interchangeable product' which is 'a drug or combination of drugs identified by a specific product name or manufacturer and designated as interchangeable with one or more of such products'. The Act gives both the pharmacist and the patient the choice to dispense or obtain the interchangeable drug, as the case may be, and requires of the dispenser to inform the patient accordingly (see s 4(2) and (3). The prescribing doctor may also indicate that no substitutions may be made (in which event the patient would have no choice (other than to refuse the prescribed drug) to select a substitute) (s 4(6)). The court (per Gonthier J) concluded:[15]

'The foundations of this right to choose and the reasons for patients' choices do not have to be discussed at length here. Whether the choice is great or small, easily exercised or not, does not change anything in the case at bar. All that is significant, and beyond question, so far as the reasoning is concerned is that the patient has a choice.

In my opinion, therefore, excluding patients from the customers covered by the passing-off action on the pretext that they have no choice as to the product brand is quite wrong. The physician's opinion as to the brand of drug to be taken may of course influence the patient and most prescriptions do in fact indicate the product brand. That information may sometimes come from the patient. It should not be forgotten that in cases like the one before the Court, the medical treatment generally extends over a long period. Hypertension is often treated for several years, if not a lifetime. Patients taking a drug for some time can become accustomed to it and insist on a particular brand. Generally when a person is satisfied with a product, he tends to remain faithful to it. This is especially true in the health field where – understandably – patients are not very willing to experiment and perhaps still less so when they are suffering from conditions such as hypertension. There are thus grounds which I would characterize as psychological for insisting on a particular brand of drug. There are certainly also physiological reasons. It is entirely conceivable that excipients, the non-medicinal part of the drug surrounding the active ingredient, may not have the same characteristics or not produce the same ingestive, digestive and other effects in the case of all manufacturers. The shape of the tablet may also play a part in the patient's preferences: it

[15] At 95 DLR (4th) 385 at 406b-h.

may be another reason why the patient insists on a particular brand and asks his physician to put it on the prescription.
Moreover, quality control may not be identical from one laboratory to another or the quality itself may not be perceived as such.'

Elsewhere the court said:[16]

'Not including [the patient] in the clientele covered by the passing-off action in my opinion divests him of part of his rights as an individual. He is deprived of the means of protecting himself as an informed person.'

[28] The Canadian legislation gives both the pharmacist and the patient a choice in relation to dispensing or obtaining a generic drug. Section 22F, on the other hand, allows the patient on being informed of the availability of a generic medicine as a substitute for the branded medicine to choose between the two. The patient is in fact required to stipulate whether he or she would prefer a generic over a more expensive other generic or the innovator drug. The court below accepted the evidence of Dr S A Gregory, both a medical practitioner and a qualified patent attorney, who also happens to have been Cipla's attorney's Pretoria correspondent, that s 22F has made medical practitioners and pharmacists even more acutely aware of the different brand names of pharmaceutical products so that the likelihood of confusion had become even more remote. This approach disregards the importance of the choice given to the patient by s 22F. The patient is not a passive bystander but plays an active role in the dispensing of his or her medication.

[29] Despite the difference in wording between s 17(1) of the repealed Trade Marks Act 62 of 1963 and s 10(14) of the present Act, the words 'likely to deceive or confuse' are retained in the latter section and should be given the same meaning. In *Cowbell AG v ICS Holdings Ltd*[17] Harms JA remarked:

'Section 17(1) creates an absolute bar to registration provided the jurisdictional fact is present, namely that the use of both marks in relation to the goods or services in respect of which they are sought to be registered, and registered, would be likely to deceive or cause confusion. The decision involves a value judgment and

[16] 95 DLR (4th) 385 at 408c-d.
[17] *Cowbell AG v ICS Holdings Ltd* 2001 (3) SA 941 (SCA) para 10. See *Bata Ltd v Face Fashions CC & another* 2001 (1) SA 844 (SCA) paras 8 and 9.

"[t]he ultimate test is, after all, as I have already indicated, whether on a comparison of the two marks it can properly be said that there is a reasonable likelihood of confusion if both are to be used together in a normal and fair manner, in the ordinary course of business".
(*SmithKline Beecham Consumer Brands (Pty) Ltd (formerly known as Beecham South Africa (Pty) Ltd) v Unilever plc* [1995 (2) SA 903 (A)] at 912H). "Likelihood" refers to a reasonable probability (*ibid* at 910B), although the adjective "reasonable" is perhaps surplusage. In considering whether the use of the respondent's mark would be likely to deceive or cause confusion, regard must be had to the essential function of a trade mark, namely to indicate the origin of the goods in connection with which it is used . . . . Registered trade marks do not create monopolies in relation to concepts or ideas.'

Harms JA approved of the statement in *Sabel BV v Puma AG, Rudolf Dassler Sport*[18] where it was said that the likelihood of confusion must 'be appreciated globally', and that the –

'global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components.'

[30] The question whether ZEMAX is 'likely to deceive or cause confusion' as s 10(14) requires must be answered with reference, not to the specialised market of prescription medication only, but with reference to the patient as well. The patient is the ultimate consumer whose wishes may not be disregarded and who has a right to participate in any decision concerning his health and treatment. It may well be that there is little likelihood of the medical practitioner or pharmacist being deceived or confused but the enquiry does not end there.

[31] Both ZEMAX and ZETOMAX are meaningless words and there can be no confusion based on meaning or concept or idea.[19] But the two words are similar, confusingly so.[20] ZEMAX consists of two syllables and five letters. ZETOMAX comprises three syllables and seven letters. The difference between the two marks arises out of the middle syllable TO in ZETOMAX which extends the word and

[18] *Cowbell AG v ICS Holdings Ltd* at 948B-D referring to *Sabel BV v Puma AG, Rudolf Dassler Sport* [1998] RPC 199 (ECJ) at 224.
[19] *Laboratoire Lachartre SA v Armour-Dial Incorporated* 1976 (2) SA 744 (T) at 747A-C.
[20] The approach to determine whether use of a mark is likely to deceive or cause confusion in infringement cases (eg *Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd* 1984 (3) SA 623 (A) at 640 E ff) is with the required adaptation also followed in expungement proceedings (*SmithKline Beecham Consumer Brands (Pty) Ltd (formerly known as Beecham South Africa (Pty) Ltd) v Unilever plc* 1995 (2) SA 903 (A) at 910GH).

breaks the connection between the first and last syllables. When MAX is excluded from both marks ZE and ZETO must be compared. They are different but this difference becomes less pronounced when MAX in both is considered. ZE and MAX are indeed the dominant elements of the two names. ZE is often found in Lisinopril products on the market eg ZESTORETIC, ZESTOZIDE AND ZESTRIL, which are markedly different from both ZEMAX and ZETOMAX not least because the prefix ZE is pronounced differently. In the case of the other names mentioned it is pronounced with a short 'e', whereas in ZEMAX and ZETOMAX the 'e' is long. The latter two are markedly similar with both having the same prefix, ZE, and the same suffix, MAX. ZEMAX and ZETOMAX are indeed the only two marks of the 128 on the register beginning with ZE and ending in MAX. There is also a similarity in the appearance of the two marks. When their sounds are compared there is also a likelihood of confusion. Their pronunciation is similar, the TO in ZETOMAX being pronounced softly.

[32] A patient, and perhaps also a professional, who knows only the one word and has an imperfect recollection of it is likely to be mistaken. One must make allowance for imperfect recollection and the effect of careless pronunciation rather than comparing the two words letter by letter or syllable by syllable.[21] But looking at the two marks globally and appreciating their similarities the overall impression is that they are so similar as to be confusing. To my mind Adcock has succeeded in showing that a substantial number of consumers would be likely to be confused and deceived by the similarity between the marks ZEMAX and ZETOMAX.

[33] It follows that the appeal should succeed. The following order is made:

1 The appeal is upheld with costs.

2 The order of the court below is set aside and replaced with the following order:

'(a) The second respondent is directed to remove trade mark 2004/05322 ZEMAX in class 5 from the register of trade marks in respect of the goods for which it is registered;

[21] *Aristoc Ltd v Rysta Ltd & another* 1945 AC 68 (HL) at 85-86; [1945] 1 All ER 34 (HL) at 38-9 (per Viscount Maughan).

(b) The first respondent is ordered to pay the costs of the application.'

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F R MALAN
JUDGE OF APPEAL

APPEARANCES:

For Appellant:	R Michau SC
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	Brian Bacon & Associates Inc Cape Town Webbers Bloemfontein