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Cadila Healthcare Ltd. v. Gujarat Co-Operative Milk Marketing Federation Ltd.

High Court of Delhi

JUSTICE MUKUL MUDGAL, JUSTICE VIPIN SANGHI

Cadila Healthcare Ltd. v. Gujarat Co-Operative Milk Marketing Federation Ltd.

FAO (OS) No. 62 of 2008

08.09.2009

Trade Marks Act, 1999, Sections 9, 30 and 35 - In our view, at this juncture i.e. at the interim stage, even assuming distinctiveness claimed by the appellant in its favor qua its artificial sweetener, the appellant has rightly been declined an injunction by the learned Single Judge since it is evident and has indeed been found by the learned Single Judge that the use of the term 'Sugar Free' by the respondent is not in the trademark sense but as a common descriptive adjective - Therefore, the plaintiff would not be entitled, *prima facie*, to appropriate the expression "Sugar Free" in respect of any field of activity beyond its range of artificial sweeteners / sugar substitutes. This is de hors the question as to whether the plaintiff can at all claim "Sugar Free" as a trademark, which question would have to be conclusively determined in the suit.|| The learned Single Judge in the above quoted decision of Shree Baidyanath Ayurved Bhawan Pvt. Ltd, noticed that while a considerable degree of distinctiveness in relation to the appellant's artificial sweetener was *prima facie* recognized by the learned Single Judge in the case of Sugar Free-I, nevertheless, the distinctiveness acquired qua the artificial sweetener by the appellant is, in our view, not sufficient enough to deny the respondent the descriptive uses of the phrase 'Sugar Free', particularly, when the respondent's product is frozen desserts, a market segment in which the appellant is totally absent. In our view, even the entry of the appellant into the beverage market 'Sugar Free D'lite' has not been shown to acquire such distinctiveness so as to bar all food products of the other competitors from using the phrase 'Sugar Free' in a purely descriptive sense. [Para 8, 14]

Held

'54. It is important to be borne in mind that use of a descriptive expression as a trade mark by a trader, irrespective of the said trade mark having acquired a secondary meaning and distinctiveness in relation to the trader's products, does not entitle such trader from precluding other traders from using the said expression for the purposes of describing the characteristic features of their products. I have no hesitation in stating, albeit without prejudice to the rights and interests of the plaintiff in the present suit, that by adopting such a purely descriptive and laudatory expression 'Sugar Free' as its trade mark, the plaintiff must be prepared to tolerate some degree of confusion which is inevitable owing to the wide spread use of such trade mark by fellow competitors. Simply because the plaintiff claims to be using the expression 'Sugar Free' as a trade mark much prior to the launch of the defendant's product Pro Biotic Frozen Dessert in the market does not give this Court a good ground for imposing a blanket injunction on the defendant from using the expression 'Sugar Free', especially when the defendant intends to use this expression only in its descriptive sense and not as a trade mark, and even otherwise, when the use of this expression is widespread in relation to foods and beverages.'

We fully agree with and reaffirm the said finding.

We are unable to hold that the appellant's trademark 'guar Free' is a coined word; at best it is a combination of two popular English words. The mere fact that the appellant's product cannot be directly consumed or eaten and merely is an additive does not detract from the descriptive nature of the trade mark. Once a common phrase in the English language which directly describes the product is adopted by a business enterprise, such adoption naturally entails the risk that others in the field would also be entitled to use such phrases provided no attempt is made to ride on the band wagon of the appellant's indubitably market leading product 'Sugar Free'. In this connection, merely because the attributes of 'sugar free' can be described by other phrases cannot detract from the common usage of the phrase 'Sugar Free' as denoting products which do not contain sugar and any trader which adopts such mark in the market place, does so with the clear knowledge of the possibility of other traders also using the said mark. [Para 9]

For the Appellant : Mihir Thakore, Sr. Pratibha M. Singh, Bitika Sharma, Bijal Chhatrapati, Shrada Seth, Advocates. For the Respondents: Mihir Joshi, Sr. Arvind Nigam, Pranit Nanavat, Rishi Agarwal, Advocates.

Judgment

MUKUL MUDGAL, J. - The present appeal arises from the judgment/ order dated 23rd October, 2007 in CS (OS) No. 605/2007 titled as Cadila Healthcare Ltd. vs. Gujarat Co-operative Milk Marketing Federation Ltd. & Ors. wherein according to the case set up by the appellant the learned Single Judge had refused injunction to the appellant/plaintiff even after coming to the conclusion that the appellant's Trade Mark 'Sugar Free' has acquired a considerable degree of distinctiveness amongst traders and consumers and accepting that the appellant's Trade Mark had achieved a secondary meaning. The respondent had also filed cross objections to a limited extent.

2. The brief facts of the case as per the appellant are as follows:-

a) In 1988, Cadila Chemicals Ltd. an erstwhile company of Cadila Group developed and launched in the market, a product containing 'Aspartame' an artificial sweetener as a low calorie table-top sweetener, which is as sweet as sugar containing only 2% of its calories.

b) The appellant's product containing 'aspartame', a protein derivative, was launched under the brand name/trademark 'Sugar Free' in the year 1988. The product under the trademark 'Sugar Free' was originally coined and adopted as aforesaid by Cadila Chemicals Ltd., predecessors of the appellant.

c) In the year 1995, consequent upon the restructuring of the 'Cadila Group' of businesses, the business of Cadila Chemicals Ltd. was transferred and bifurcated between two transferee companies viz. Cadila Healthcare Ltd., i.e., the appellant and Cadila Pharmaceuticals Ltd. with all its property, rights and trademarks, both registered and unregistered, vide a judgment and order dated 2nd May 1997 of the Gujarat High Court passed in Company Petition No.82/1996.

d) By virtue of the said order, certain assets of Cadila Chemicals Ltd. including its trademark 'Sugar Free' and other marks along with their goodwill came to be transferred to and became vested in the appellant, and as a result the appellant became the proprietor of the brand name/trade mark 'Sugar Free' with effect from 2nd May 1997.

e) Upon becoming the proprietor of the trademark 'Sugar Free' as aforesaid, the appellant continued to promote and market the said product under the trade mark 'Sugar Free' and since then has been continuously using it.

f) The appellant has 74% market share in the sugar substitute market in India and the total sales of the appellant's products under the trademark 'Sugar Free' alone, upto 31st December 2006 has been around 216.40 crores.

g) The respondents adopted a trade mark consisting of the words 'Sugar Free' for their frozen dessert, identical with and deceptively similar to the appellant's various trademarks, the essential feature of each of which is the words 'Sugar Free' as a trademark in respect of their products.

3. The appellant filed a suit before the learned Single Judge seeking a decree of permanent injunction for restraining the respondents from using in any manner, particularly

in relation to their products, viz. frozen desserts and choc minis, the expression 'Sugar Free', which, the appellant claimed had acquired exclusivity as a trade mark in relation to the various products manufactured by it.

4. The learned Single Judge by his impugned judgment dated 23rd October, 2007 inter alia recorded the above findings:-

(a) Since the plaintiff-appellant's product herein is specialized in nature, being sweeteners/sugar substitutes, the popularity of sugar free range of products will have to be ascertained within a specific and limited classes of consumers. Such persons can include medical professionals, patients of diabetics/heart patients or simply those who are fashionably health conscious.

(b) Consequently, the distinctiveness associated with the appellant's trademark is essentially relative and is in respect of a particular class of consumers. Thus, the distinctiveness of a trademark can only be ascertained in relation to consumer-base.

(c) The data produced by the appellant does not indicate that the trademark 'Sugar Free' acquired a considerable degree of distinctiveness among the traders and consumers but that is not ipso facto conclusive of an action of passing off which requires that not only there is an acquisition of secondary meaning by trademark or distinctiveness associated with it, but in fact also requiring that the respondent has misrepresented his products as those of the appellant's and caused damage to the distinctiveness associated with the trademark used in relation to the appellant's product. At this interim stage the respondents goodwill and the typical style and packaging coupled with the well aware customer base which can easily distinguish between the appellant's and the respondent's product and deception is thus, *prima facie*, ruled out.

(d) While there is no perceptible similarity between the two different packaging in terms of colour scheme and get up, sugar free has been written in more prominent form than that of Amul, thus focusing on the word 'Sugar Free' by overshadowing the respondent's trademark Amul.

(e) The chances of the consumer, who is the regular purchaser of the appellant's products, being deceived are minimal and such a consumer can easily distinguish between the appellant's and the respondent's product.

(f) There, however, may be a possibility that such a consumer may be led into believing that the appellant's product figures as an ingredient of the respondent's frozen dessert.

(g) Merely because other alternatives are available to the respondent to describe its product, does not imply that the appellant can be allowed to arrogate itself to monopoly to use the expression 'Sugar Free' which is inherently descriptive in nature and has become *publicis juris* in relation to food and beverages.

(h) Mere descriptive distinction of a trademark by a trader, irrespective of acquisition of secondary meaning and distinctiveness in relation to trader/appellant's product cannot entitle the appellant to preclude others from using the said expression for the purposes of describing the characteristic features of their products. Thus, no blanket injunction can be granted against the respondent from using the expression 'Sugar Free' only in the descriptive and not trademark sense particularly when the use of such an expression is widespread in relation to food and beverages. Thus, no embargo can be placed on the use of expression 'Sugar Free' by the respondent particularly when the respondent had *prima facie* satisfied the court of its bonafide intention to use the said expression, not as a trademark but only in descriptive and laudatory sense.

(i) There may exist a fair risk of misleading the consumers of appellant into believing that the appellant's product figures as an ingredient in the respondent's pro-biotic frozen dessert.

5. Consequent to the above findings, the learned Single Judge directed as under: - '

(i) The defendant is restrained from using the expression 'Sugar-free' in the present font size which is conspicuously bigger than its trade mark 'Amul'.

(ii) The defendant is free to use the expression 'Sugar-free' as part of a sentence or as a

catchy legend, so as to describe the characteristic feature of its product.'

6. The learned Senior Counsel for the appellant Shri Mihir Thakore articulated his arguments while assailing the learned Single Judge's judgment in brief as follows:

A) The appellant's mark 'Sugar Free' is not descriptive but merely suggestive. In support of this contention he submitted that:

i) The appellant's trade mark 'Sugar Free' is a coined word and an ungrammatical combination of two English words. Even assuming that it is not a coined word, even then it is not descriptive of the appellant's product but merely suggestive. The appellant's product which is an artificial sweetener cannot be directly consumed or eaten. 'Sugar Free' would not be apt to describe an item which is not directly consumed but is merely an additive. The appellant has adopted it as a mark for a sugar substitute since 1988, when no products containing artificial sweeteners were manufactured or marketed in India or imported into India, there was absolutely no use of 'Sugar Free', or any other similar word to describe the products which did not contain sugar. A sugar substitute or artificial Sweetener cannot be described as Sugar Free, even if the meaning 'free of sugar' is given to the ungrammatical phrase 'Sugar Free', since that which is used as a substitute for sugar in foods or beverages cannot be termed free of sugar and only the foods or beverages so made could be described as free of sugar. Aspartame or Sucralose are artificial sweeteners or sweetening agents which can be used in lieu of sugar. Such chemical compounds cannot be described free of sugar. 'Sugar Free' is therefore not descriptive of a sugar substitute or Artificial Sweetener such as Aspartame/Sucralose. At the highest 'Sugar Free' is suggestive of the use to which the chemical compound can be put to. A correct description for such chemical compound is 'Artificial Sweetener' or 'Sugar Substitute'.

ii) Reliance was placed on Oxford Dictionary, wherein it was submitted that no such word is found. Reliance was further placed on Sections 5 (iv) and 7(v) of the Prevention of Food Adulteration Act (hereinafter referred to as the 'PFA Act') read with rule 47 of the Prevention of Food Adulteration Rule (hereinafter referred to as the 'PFA Rule') as it existed prior to its amendment by GSR 388 (E) dated 25th June 2004 with effect from 25th June 2004 prohibited manufacture, sale and import of articles of food containing artificial sweetener, other than carbonated water, soft drink concentrate, supari, panmasala and pan flavoring material and it is only with effect from 25th June 2004 that it is permissible to use artificial sweetener in certain food articles. This would also show that in terms of the requirement of law, chemical compounds which sweeten food articles are described as 'artificial sweetener/tabletop sweeteners' and food articles containing such artificial sweeteners have to be described with captions such as, 'no sugar added' and 'contains artificial sweetener' and not as, 'Sugar Free'.

iii) It was contended that the Court in the case of Proctor & Gamble vs. Office of Harmonisation in the Internal Market (OHIM), famously known as 'the Baby Dry case' (2002) RPC 17, held that there was an unusual juxtaposition of two independent English words which is unlikely to acquire a secondary meaning. The argument of the respondent that 'Sugar Free' is a familiar English word and therefore the Baby Dry judgment does not apply, fails to properly appreciate the ratio of the Baby Dry judgment where the emphasis is not on 'familiar expression' in English language but on 'familiar expression' in English language for designating baby nappies or for describing their essential characteristic. The appellant's plea that the word 'Sugar Free' is not descriptive of its product and merely suggestive cannot be *prima facie* rejected in the light of discussion in McCarthy on Trademarks. A suggestive mark is entitled to the same protection accorded to a coined and fanciful mark. Even a 'fair use' defense is a defense only against descriptive, not a suggestive, trademark. Suggestive mark is thus protected without any necessity for providing secondary meaning.

B) The submission of the respondent that 'Sugar Free' is generic and has no trademark significance is untenable, as this argument apart from being raised for the first time cannot be sustained for the reasons herein below:

i) The Sweeteners cannot be divided by creating two classes ' sugar based and sugar free. The correct criteria for describing the sweeteners would be ' natural sweeteners and artificial sweeteners. Natural sweeteners are substances like sugar, jaggery, brown sugar etc. Artificial sweeteners are the genus of which Saccharine, Aspartame, Sucralose are

species. These artificial sweeteners can never be termed as sugar free sweeteners either colloquially or otherwise.

ii) Generic terms are generally nouns and only in very rare cases they can be adjectives. Reliance is placed for the above reasoning on Gilson on Trademarks Edition (2007) and McCarthy on Trade Marks (2007).

iii) A generic term would answer the question 'What are you' (What is this')' If a powder of artificial sweetener is placed before a lay person, he will answer the above question by saying it is an artificial sweetener or a sweetener. If on the other hand, the same question is put to a person well-versed in chemical compounds, the question will be answered by saying it is Saccharine or Aspartame or Sucratose, as the case may be. None of them will answer that the product is Sugar Free Sweetener or much less, 'Sugar Free' . The answer to the above question therefore, would never be 'Sugar Free' and consequently, 'Sugar Free' is not generic.

iv) It would be pertinent to point out that Sugar Free is neither an attribute, nor an adjective, vis-vis an artificial sweetener. 'Sugar Free' is an additive suggesting that the product will sweeten, without the disadvantages of sugar, that it is safe for diabetics/health conscious person, entitling it to protection as a trademark. In any event, Sugar free is not generic of artificial sweeteners. 'Sugar Free' is also not generic of the products that are free of sugar.

v) Again a generic term would answer the question 'what are you' In the context of the products that are free of sugar such as ice creams or cookies or biscuits or chyawanprash, the answer to the above question cannot be sugar free and would necessarily be ice cream or cookies or biscuits or chyawanprash as the case may be.

vi) All products that are free of sugar are generally meant for the diet conscious or for the diabetics. If such products do not contain sugar, 'Sugar Free' is at the most descriptive of such products and cannot be termed generic of such product.

C) It is evident that 'Sugar Free' is neither generic of artificial sweeteners nor generic of products which do not contain sugar. The argument advanced by the learned counsel for the respondent is to anyhow categorize 'Sugar Free' as generic. Assuming without admitting that the 'Sugar Free' is descriptive of the products that do not contain sugar, it is certainly not generic of such products and as far as artificial sweeteners are concerned, it is neither generic nor descriptive and is consequently entitled to the same status as a coined word and can be registered as trademark. Moreover, even in respect of such food articles which do not contain sugar, the use of 'Sugar Free' purportedly to describe them is only after the amendment of the Prevention of Food Adulteration Act, 2004 and much after the appellant had acquired huge reputation and goodwill in respect of its product. Such user clearly is tantamount to passing off.

D) The word 'Sugar Free' has become distinctive of the sugar substitute and has acquired a secondary meaning in the sugar substitute (Artificial Sweetener) market namely as the appellant's sugar substitute. The appellant adopted the mark for its sugar substitute in 1988 and has since then been continuously using it exclusively. There was almost no use of 'Sugar Free' in India till 2004. The appellant has also marketed a drink containing Aspartame namely 'Sugar Free Dlite' . The appellant has 74% market share in the sugar substitute market in India. Even a common English word descriptive of the product can become distinctive by a long and continued use and is entitled to similar protection, and that a man has no right to put off his goods for sale as the goods of a rival trader and induce purchasers to believe that the goods which he is selling are manufactured by another entity or are connected in some manner with such other entity. The appellant can take action against anyone who seeks to use their goods in such a manner that it would indicate some connection with the appellant. The appellant's mark 'Sugar Free' has become distinctive in India by long exclusive use as a trade mark by the appellant. The distinctiveness need not be inherent but can be acquired and can be distinctive to a class of consumers or an area/country such as India. The appellant is entitled to seek injunction against the respondent from using their mark and committing the tort of passing off.

E) In support of the above argument, Shri Thakore emphasized that the descriptive marks which have achieved a secondary meaning and a very strong consumer recognition

would be entitled to the same wide scope of protection afforded to the most fanciful and invented mark. That is, a descriptive mark, upon attaining a secondary meaning may be protected just as if it had been 'strong' and arbitrary or fanciful at its inception. Even the most descriptive term is capable of becoming very well-known and a 'strong' mark through extensive consumer recognition and association. The evaluation of the strength of a mark depends solely upon the placement of a term on the spectrum of marks as to whether it is inherently distinctive or not distinctive, and, in addition to that one has to look at the market place strength of the mark at the time of litigation. Thus, the true relative strength of a mark can only fully be determined by weighing two aspects of strength that is Conceptual strength like the placement of mark on the spectrum of marks and Commercial strength like the market place recognition value of the mark.

F) The appellant mark 'Sugar Free' in respect of sugar substitute is a well known and a strong mark. It has been in the market for the last 17 years. There has been substantial advertisement in respect of the appellant's product both on TV channels and in newspapers. The appellant has almost 3/4th of the market share in sugar substitutes. The appellant's mark even if termed as descriptive has attained a secondary meaning in the context of sugar substitutes and has to be protected just as if it had been a strong and arbitrary and fanciful mark at its inception.

G) He further contended that the adoption and use by the respondent of the words 'Sugar Free' on their packing is dishonest for the following reasons:

(1) The respondent knew that it is the appellant's trade mark for sugar substitutes such as Aspartame and Sucralose.

(2) The respondent knew that appellant is marketing a drink under the trademark 'Sugar Free Dlite' containing sugar substitute and is already in the Food and Beverage market.

(3) The manner and size of writing on the packaging clearly indicates use in the trademark sense and not merely to describe the characteristics of the product. If it was only to describe the product characteristics, it could have been used in any other manner. In fact, the packet of Frozen Dessert already contains the following words 'INDIA'S FIRST SPECIALLY CREATED LOW FAT DIABETIC DELIGHT' which is sufficient to describe the product and there was absolutely no need to use the word 'Sugar Free'.

(4) The Gujarati advertisement translates all other words including the word 'INDIA'S FIRST SPECIALLY CREATED LOW FAT DIABETIC DELIGHT', but 'SUGAR FREE' continues to be stated as such in Gujarati clearly indicating the use of these words in the trade mark sense.

(5) The hoardings show the use of Sugar Free also in slogan 'Sugar Free Guilt Free Worry Free' in addition to 'Sugar Free' in large lettering clearly indicating use in trademark sense and not in descriptive sense.

(7) If the only manner in which the respondent's product could be described is Sugar Free, it could be understood that the respondent has used Sugar Free to describe the product, but when product can be described in innumerable other ways such as 'Free of Sugar', 'Sugar Less', 'No Sugar', contains artificial sweetener' etc., the use of the distinctive trade mark of the appellant is dishonest.

(8) The respondent had negotiated to purchase appellant's 'Sugar Free' for the purpose of manufacturing and marketing diabetic ice-cream. In view of this, it became the duty of the respondent not to use the appellant's trademark while marketing its product, particularly when it did not purchase the product of the appellant for use in making such food product. Using the appellant's Trade Mark clearly amounts to taking advantage of the appellant's reputation and giving at least an impression to some members of the public that there is connection between the respondent's product and the appellant.

H) The manner in which 'Sugar Free' is depicted on the packing as well as in the advertisements and the repeated use of the term 'Sugar Free' in the advertisements clearly indicates that the term 'Sugar Free' is not used in purely descriptive sense. The use by the respondent is not fair. Fair use of a descriptive word by the respondent would be in a non trademark sense. In the instant case, there is an overuse of 'Sugar Free' clearly demonstrated by the public advertisement hoardings. The use by the respondent of Sugar Free is not to describe his goods is evident, inter alia, from the fact that the phrase 'INDIA'S

'FIRST SPECIALY CREATED LOW FAT DIABETIC DELIGHT' is being used. Even though to convey absence of sugar there are innumerable alternatives available yet the respondent has chosen to use the words 'Sugar Free' in bold lettering. Significantly, the advertisements in vernacular language Gujarati does not contain a Gujarati translation of Sugar Free which it should have, if the bonafide intent was to describe the product. The respondent's argument that their product is different and their style of writing font is different is only to answer the conventional concept of Passing Off. The fact that AMUL is written and for that reason no person is likely to believe that the product is the product of the appellant does not answer the other tests of Passing Off. I) Thus, permitting the respondent to use the mark 'Sugar Free' will lead to passing off, confusion and deception in the following manner:

(1) Consumers or at any rate some of them will believe that there is a connection with the appellant or that appellant's product are used in the manufacture of the respondents frozen dessert. It would appear to the consumer or at least to some of them that the product is endorsed, approved or recommended by the appellant thus creating a misrepresentation by connection.

(2) The Appellants are already in the Food and Beverage market with a product called 'Sugar Free Dlite' which is a ready to drink beverage. The Appellant's legitimate extensions would be to enter into other Foods and Beverages for Diabetics market like Sugar Free Dlite Jello/Ice-cream/Frozen desserts/Cake mix etc. There could be serious confusion in the market which can cause damage to the reputation of the appellant. If everyone is allowed to use 'Sugar Free', there will be not only confusion but dilution of the appellant's well established mark.

J) The learned Senior Counsel Shri Thakore concluded his arguments by emphasizing that a clear case of passing off arises and the arguments of the respondent that the respondent is using the words 'Sugar Free' only to describe the product or that the respondent is entitled to use a common English word is untenable in the present day context in view of the fact that when a descriptive word becomes distinctive of a product, it requires to be protected in the context of market extensions, confusion, dilution and connection. The plea that anyone can use the same English words to describe different products is required to be rejected in the present day context and in particular in light of the various decisions rendered by this Court. Differences are sufficient in case of descriptive marks is also of no substance because (i) the mark is suggestive and not descriptive (ii) descriptive mark has become distinctive and is entitled to the same protection as a fancy word and the fact that (iii) the differences in the get up should be sufficient to reject the claim for passing off has not been accepted in India in categorical terms by the Hon'ble Supreme Court in Cadila Healthcare Ltd. v. Cadila Pharmaceuticals, 2001 PTC 300, particularly observing that the Court cannot abandon the principle of phonetic similarity when the manner in which competing words are written is different.

J) In support of the above contention, the learned Senior Counsel for the appellant relied upon the following cases:

- (i). Godfrey Philips India Ltd. v. Girnar Food & Beverages (P) Ltd. 2005 (30) PTC 1 (SC).
- (ii). Info Edge (India) Pvt. Ltd. v. Shailesh Gupta 2002 (24) PTC 355 (Delhi).
- (iii). Societe Des Products NESTLE S.A. v. Gopal Agencies, 2002 (24) PTC 369 (Delhi).
- (iv) Essel Packaging v. Shridhar Narra, 2002 (25) PTC 233 (Del.).
- (v) Caterpillar Inc. v. Mehtab Ahmed, 2002 (25) PTc 438 (Del)
- (vi) B. K. engineering Co. v. Ubhi Enterprises (Regd) & Anr., AIR 1985 Delhi 210.
- (vii) LEGO System Aktieselskab & anr. v. LEGO M. Memelstrich Ltd. 1983 FSR 155.

7. The learned Senior Counsel for the respondent Mr. Mihir H. Joshi articulated his arguments as follows:

A) Sugar Free is a not a coined mark for the reasons given hereinbelow:

i. The use of the word 'Free' as a suffix to mean without that to which it is so attached is common to the English language.

ii. The combination of the words Sugar and Free is common and used extensively in a wide variety of contexts to indicate a category of food.

iii. The claim that sugar free products were available in India only recently, even if correct, is irrelevant to counter the fact that the same is a combination of common English words which was widely used prior to the purported adoption by the appellant, and in any case even a mark which may be used in a descriptive sense is not considered distinctive as per Section 19(b) of the Trade Marks Act, 1999 (hereinafter referred to as the TM Act).

iv. The judgment in the case of Baby Dry (supra) is inapplicable since the combination was permitted registration in view of their 'syntactically unusual juxtaposition which was not a familiar expression in the English language' and was a 'lexical invention.'

B) The mark is in fact inherently generic and is not entitled to protection since it can never function as a trademark to indicate origin. In the case of Home Solutions Retail (India) Limited, reported in 2007 (35) PTC 697, it was held as under:

'8. In this context the plaintiff contended that the defendant has malafidely coined its corporate name as 'HOME SOLUTIONS RETAIL (INDIA) LIMITED' which is identical and similar to the mark used by the plaintiff. In the first place, it is common ground that the defendant is using the mark 'HOME TOWN' in respect of the services provided to its customers and not the mark 'HOME SOLUTIONS'. Moreover, the mark used by the plaintiff is associated with its name 'ASIAN PAINTS' which precedes the expression 'HOME SOLUTION'. Besides, the registered device of the plaintiff is an artistic work which depicts a house in the alphabet 'O' in expression 'HOME' .

I find substance in the argument of the defendants that the plaintiff cannot claim to have exclusivity in respect of the mark 'HOME SOLUTIONS'. The expression 'HOMESOLUTIONS' is inherently incapable of becoming distinctive of any single person with respect of any single product or service. It is generic and publici juris. It describes the nature of services offered. Thus understood, at this stage of the proceedings, it is not possible to accept the plaintiff's claim that it has unique enviable reputation and exclusive goodwill to the mark 'HOME SOLUTIONS'.

The product of the appellant being a sweetener without sugar, the mark answers the question 'what are you' – Sugar free sweetener, and therefore names the product. No amount of evidence of secondary meaning would ever convert the term into a trademark.

C) The mark Sugar Free is generic in nature and common to trade and therefore cannot identify the source of the product because of its very nature and use. In the case of Colgate Palmolive Co. Ltd. and Anr. Vs. Mr. Patel and Anr. 2005 (31) PTC 583 (Delhi) it was held that:

31. Even the above judgment relied upon by the plaintiffs in Anglo Dutch's case (supra) clearly shows that the combination of colours' referred to in the above judgment was in reference not only to the combination of colours but also additional features such as a large circle and grey lettering. The above reference to the trade mark in combination of colours has to be understood in the context of the other features described above in addition to the colour combination which together constituted a trade mark entitled to protection by virtue of such registration. In the instant case too, the colour combination of red and white on its own does not identify the source of the product since the red and white colour combination is quite generic in nature and common to toothpaste trade as demonstrated by the various products and their labels relied upon by the defendants. Moreover, there is nothing innovative or distinctive in using the colour, 'white' for writing the word mark 'COLGATE', since white is a colour commonly used for writing alphabets/numerals on coloured backgrounds.'

The mark is not 'suggestive' which is defined as indicating certain characteristics of the product that the consumer can ascertain only on reflection, through a reasoning process requiring several steps. In any case the words are so utterly descriptive of the goods concerned as to be totally incapable of distinctiveness. It is also a term which describes an aspect of the product and is an unprotectable generic name. Thus, 'Sugar Free' is a simple word extensively and commonly used, which by its very nature is incapable of losing its primary meaning.

D) Assuming that the mark is capable of acquiring distinctiveness, the fact that the primary meaning of the word is simple and easy and coupled with the fact that it is commonly and extensively used, sets the bar extremely high for a trader to claim a monopoly therein and the utmost difficulty should be put in the way of anyone who seeks to adopt and use exclusively as his own a merely descriptive term and more so, since it deprives the trader of a legitimate right to use words in the public domain. For the above contention, the learned Senior Counsel for the respondent relied upon the case of Home Solutions (supra). The relevant part thereof reads as follows:

'9. The defendants have rightly pressed into service the provisions of Section 35 of the Act which provides that the proprietor or a registered user of a registered trade mark to interfere with any bona fide use by a person of 'his own name' or that of his place of business, or 'of the name', or of the name of the place of business, of any of his predecessors in business, or the use by any person of any 'bona fide description of the character of quality of his goods or services.' The fact that the plaintiff commenced the business of providing similar services to its customers in earlier point of time, does not militate against the defendant who is using the mark 'HOME TOWN' for similar services offered or has adopted the corporate name 'HOME SOLUTIONS RETAIL (INDIA) LIMITED'. It is not possible to countenance the claim of the plaintiff that the adoption of the corporate name 'HOME SOLUTIONS' by the defendant is not bona fide. At least at this ad-interim stage, there is sufficient material to support the claim of the defendant that the adoption of the Corporate name 'HOME SOLUTIONS' is descriptive in nature of the services rendered by the defendant and is a generic term descriptive of the nature of services. Counsel for the defendant has justly relied on the exposition in the case of McCain International Limited v. Country Fair Foods Ltd. and Anr. 1982 (2) PTC 156 (CA). This is a decision of the Court of Appeal which dealt with the issue as to the consequences of adopting a descriptive name. the Court held that the descriptive name does not indicate the source of goods, but the nature of the goods when the fancy name is an indication of a single source. In this decision while adverting to the exposition of Lord Shand the Court observed that distinction has been drawn between an invented or fancy word used as a name to which the party has no relation, or 'at least no direct relation to the character or quality of the goods which are to be sold under that name' on the one hand and to a totally different principle which must apply in the case of goods which are sold under a merely descriptive name. It was observed as follows:

If a person employing a word or term of well-known signification and in ordinary use' is yet able to acquire the right to appropriate a word or term ordinary use in the English language to describe his goods, and to shut others out from the use of this descriptive term, he would really acquire a right much more valuable than either a patent or a trade mark for he and his successors in business would gain the exclusive right, not for a limited time as in the case of patent, but for all time coming, to use the word as applicable to goods which others may be desirous of manufacturing and are entitled to manufacture and sell as much as he is. That being so, it appears to me that the utmost difficulty should be put in the way of any one who seeks to adopt and use exclusively as his own a merely descriptive term.'

In the case of Cellular Clothing, 1899 A.C. 326, it was held as follows:

'A totally different principle must apply in the case of goods which are sold under a merely descriptive name. If a person employing a word or term of well-known signification and in ordinary use, though he is not able to obtain a Patent for his manufacture, and although he has not got the protection of a registered Trade Mark for the goods he is proposing to sell, is yet able to acquire the right to appropriate a word or term in ordinary use in the English language to describe his goods, and to shut others out from the use of the descriptive term, he would really acquire a right much more valuable than either a Patent or a Trade Mark. For he and his successors in business would gain the exclusive right, not for a limited time as in the case of a Patent, but for all time coming, to use the words as applicable to goods which others may be desirous of manufacturing, and are entitled to manufacture and sell as much as he is. That being so, it appears to me that the utmost difficulty should be put in the way of anyone who seeks to adopt and use exclusively as his own a merely descriptive term.'

E) Assuming the appellant succeeds in establishing distinctiveness of the mark, even

then the appellant is not entitled to any injunction since the respondent is not using the mark in a trademark sense but merely as a common descriptive adjective. The respondent is not selling its products under that name or business style. Even registration of the mark would not entitle the appellant to such injunction as per Section 35 of the TM Act.

(i) In the case of *Ayushakti* 2003(5) Bombay C.R. 523, it was held as under:

'20. Dr. Tulzapurkar, the learned Counsel for the Defendants further submitted that the mark AYUSHAKTI is descriptive of the mark of the Plaintiffs and in any case laudatory and therefore the Plaintiffs cannot claim a monopoly to prevent Defendants from using the mark AYUSH. I think there is substance in this contention. In the first place though the words may not be strictly descriptive of the Plaintiffs mark it does tend to be descriptive and in any case laudatory in the sense that it suggests that use of the product would contribute to life, well being and strength. In a situation such as this it is settled law that where such words are used, unless the plaintiff shows that the words have acquired a secondary significance, such that it has displaced the primary significance and meaning of the word, the defendants should not be prevented from using similar words which are part of common language. Viewed from that angle, it is clear that the Plaintiffs mark AYUSHAKTI is not to be exclusive or so inevitably associated with the Plaintiffs product that the word AYUSH standing alone cannot be used by anyone else.'

21. Dr. Tulzapurkar, the learned counsel for the defendants has relied on a decision of the House of Lords reported in *The Cellular Clothing Company Limited v. Maxton and Murray*, reported in 1899, AC 326, where the following observations are made:

'If it can be shown that representations to the effect that the goods were manufactured by the plaintiffs be made directly or by implication, by the language used, the plaintiffs would of course be entitled to a remedy. But where the plaintiffs proof shows that the only representation by the defendants consists in the use of a term of terms which aptly and correctly describe the goods offered for sale, as in the present case, it must be a condition of the plaintiffs success that they shall prove that these terms no longer mean what they say or no longer mean only what they say or no longer mean only what they say but have acquired the secondary and further meaning that the particular goods are goods made by the plaintiffs, and, as I have already indicated, it is in my view difficult to conceive cases in which the facts will come up to this. Unless that be proved, there is no room for a charge of violation of any right, or indeed for a charge of fraud for the defendants are only exercising the right which they possess as much as the plaintiffs do, and which every one has, to employ words in ordinary use which every one has, to employ words in ordinary use which are an apt and proper description of the goods for sale.'

I think the observations are applicable to the present case.

22. Having come to the conclusion that there is no confusion likely to arise in the two words I am also of view that the use of the word AYUSH would not create any confusion as there is reason for coming to this conclusion that there is no confusion in the words. Since the words are not similar, and are pronounced and also read differently, there is no reason for customers to imagine that the product AYUSH has the same origin as those of the products sold under the name AYUSHAKTI. Merely because it is possible to imagine that a given person may get confused as to the product, it is no reason to imagine that every one would get confused. I do not believe that the law is that if a single person gets confused it must be taken that the words create such confusion. It must be taken that the words create such confusion. It must be remembered that claims in passing off action are not for an infringement of property rights but for misrepresentation by the Defendant. Therefore, if the alleged confusion is the result of the exercise by the Defendant of his legitimate rights to use certain common words in order to compete with the plaintiff the Court must be hesitant in granting such an injunction. At the *prima facie* stage, without actual instances of witness having been deceived, it would be sufficient for the court to form a broad impression that there is no confusion by and large and not decide merely on the basis of an affidavit of a person who claims that he got confused or as observed in some cases. In this view of the matter, I consider it appropriate to refuse the injunction.'

(ii) The fact that there could be a number of alternative ways of describing a product is no answer to the criticism of the mark particularly since on the same analogy, the other ways would also be entitled to protection. Reliance was placed on the case of *Profit Maker*

Trade Mark (1994) RPC 613 wherein it was held as under: -

'It is just the sort of combination of two common words which others traders might well wish to use. Indeed, the similar expression 'MONEYMAKER' is to be found in the dictionary. The fact that honest traders have a number of alternative ways of describing a product which will make profits is no answer to the criticism of the mark.'

F) There is no passing off since the use of the mark by the respondent does not amount to a misrepresentation nor is there a likelihood of deception, and damage in view of the reasons given below:

(i) The adjective 'Sugar Free' is a true description of the goods of the respondent and conveys the real meaning to the purchasing public.

(ii) The mark is not used in the trademark sense of seeking to distinguish the goods of the respondent from similar goods of other traders.

(iii) The term 'Sugar Free' is used in a prominent, stand-alone short and snappy manner in the trade to highlight the class/category to which the foods/drinks belong, and the manner of use by the respondent is not different.

(iv) In the field of foods/drinks the target consumer is accustomed to a large number of products across all categories bearing the words Sugar Free and therefore there is no real possibility of deception that all such goods are connected with the appellant.

(v) The words Sugar Free are always used along with the trademark AMUL of the respondent within the same visual matrix and there is no possibility of confusion.

(vi) The words 'Sugar Free' are nowhere printed in the characteristic lettering which the appellant uses and also do not have any symbol attached like the flying bird normally used by the appellant over its mark.

(vii) The size of the font is not inappropriate in the context of trade usage, and merely serves to emphasize the category and unique selling point of the product and prominence of use, by itself, and would not amount to misrepresentation particularly in view of the bland, common font styling, which is completely different than that used by the appellant.

(viii) No ordinary sensible member of the public would be confused and there is absolutely no evidence to establish *prima facie* that such confusion has resulted or is likely to result.

(ix) There is dilution of the mark if the words are used in the descriptive sense.

(x) There is no evidence of damage or likelihood of damage on account of use of the mark by the respondent.

G) The conclusion that the mark 'Sugar Free' has acquired a considerable degree of distinctiveness in relation to its product, in addition to being erroneous for all the aforesaid reasons, is based on mere assumption and is without any reasonable basis.

H) The conclusion that the prominent use of the mark by the respondent carries a fair risk of misleading the consumers of the appellant into believing that its sweetener has been added as an ingredient in the respondent's product is hypothetical, conjectural, not reasonable and without any evidence to *prima facie* establish this plea.

It overlooks the fact that the mark is commonly and widely used throughout the world including India and no sensible consumer is likely to assume that such usage is indicative of the source or of the product of the appellant being an ingredient of such goods, and more so since the words are written in a completely different style than that used by the appellant. For such assumed confusion precise copying would be required and the slightest distinction would be sufficient to avoid confusion. In any case mere confusion is insufficient and in the absence of misrepresentation or deception, no action for passing off can be maintained.

I) Moreover, the appellant, having adopted such an inherently descriptive word must be prepared to tolerate some degree of confusion even if the same is assumed to occur. Moreover, such a conclusion of the Court would grant a complete monopoly in the words to the appellant since it would be applicable to the entire range of products available

throughout the world which bear the mark Sugar Free. The case of Glucovita (AIR 1960 SC 142) relied upon by the appellant was a case where the appellant's mark was registered and the respondent had sought registration of a trademark in respect of goods of the same description, which mark was held to be sufficiently similar so as to be reasonably likely to cause deception and was therefore refused registration, and the principle of a trade connection was applied in that context and not in relation to its descriptive usage.

J) The conclusion that the size of the mark on the product(s) of the respondent is inappropriate does not justify imposing restrictions on the basis of affording solace to the appellant, in the absence of misrepresentation, deception, damage and the fact that the mark is used in a descriptive sense by the respondent.

K) The mark is without any legal or factual basis whatsoever, commonly used in the trade as highlighting the characteristic/category of the product and use by the respondent including prominent sizing being absolutely in the manner used in the trade no restriction could have been imposed.

8. In our view, at this juncture i.e. at the interim stage, even assuming distinctiveness claimed by the appellant in its favor qua its artificial sweetener, the appellant has rightly been declined an injunction by the learned Single Judge since it is evident and has indeed been found by the learned Single Judge that the use of the term 'Sugar Free' by the respondent is not in the trademark sense but as a common descriptive adjective. The learned Single Judge has found and in our view rightly that the respondent has not used the expression in a trademark sense but only in a descriptive sense in the following passage: -

'54. It is important to be borne in mind that use of a descriptive expression as a trade mark by a trader, irrespective of the said trade mark having acquired a secondary meaning and distinctiveness in relation to the trader's products, does not entitle such trader from precluding other traders from using the said expression for the purposes of describing the characteristic features of their products. I have no hesitation in stating, albeit without prejudice to the rights and interests of the plaintiff in the present suit, that by adopting such a purely descriptive and laudatory expression 'Sugar Free' as its trade mark, the plaintiff must be prepared to tolerate some degree of confusion which is inevitable owing to the wide spread use of such trade mark by fellow competitors. Simply because the plaintiff claims to be using the expression 'Sugar Free' as a trade mark much prior to the launch of the defendant's product Pro Biotic Frozen Dessert in the market does not give this Court a good ground for imposing a blanket injunction on the defendant from using the expression 'Sugar Free', especially when the defendant intends to use this expression only in its descriptive sense and not as a trade mark, and even otherwise, when the use of this expression is widespread in relation to foods and beverages.'

We fully agree with and reaffirm the said finding.

9. We are unable to hold that the appellant's trademark 'guar Free' is a coined word; at best it is a combination of two popular English words. The mere fact that the appellant's product cannot be directly consumed or eaten and merely is an additive does not detract from the descriptive nature of the trade mark. Once a common phrase in the English language which directly describes the product is adopted by a business enterprise, such adoption naturally entails the risk that others in the field would also be entitled to use such phrases provided no attempt is made to ride on the band wagon of the appellant's indubitably market leading product 'Sugar Free'. In this connection, merely because the attributes of 'sugar free' can be described by other phrases cannot detract from the common usage of the phrase 'Sugar Free' as denoting products which do not contain sugar and any trader which adopts such mark in the market place, does so with the clear knowledge of the possibility of other traders also using the said mark. That is precisely the reason for the denial of protection to such marks by refusing registration as envisaged by Sections 9, 30 and 35 of the Act. The said Sections read as follows: -

'9. Absolute grounds for refusal of registration.'(1) The trade marks'

(a) which are devoid of any distinctive character, that is to say, not capable of distinguishing the goods or services of one person from those of another person;

(b) which consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or

the time of production of the goods or rendering of the service or other characteristics of the goods or service;

(c) which consist exclusively of marks or indications which have become customary in the current language or in the bona fide and established practices of the trade, shall not be registered:

Provided that a trade mark shall not be refused registration if before the date of application for registration it has acquired a distinctive character as a result of the use made of it or is a well-known trade mark.

(2) A mark shall not be registered as a trade mark if'

- (a) it is of such nature as to deceive the public or cause confusion;
- (b) it contains or comprises of any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India;
- (c) it comprises or contains scandalous or obscene matter;
- (d) its use is prohibited under the Emblems and Names (Prevention of Improper Use) Act, 1950 (12 of 1950).

(3) A mark shall not be registered as a trade mark if it consists exclusively of'

- (a) the shape of goods which results from the nature of the goods themselves; or
- (b) the shape of goods which is necessary to obtain a technical result; or
- (c) the shape which gives substantial value to the goods.

30. Limits on effect of registered trade mark.'(1) Nothing in Section 29 shall be construed as preventing the use of a registered trade mark by any person for the purposes of identifying goods or services as those of the proprietor provided the use'

- (a) is in accordance with honest practices in industrial or commercial matters, and
- (b) is not such as to take unfair advantage of or be detrimental to the distinctive character or repute of the trade mark.

(2) A registered trade mark is not infringed where'

(a) the use in relation to goods or services indicates the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services or other characteristics of goods or services;

(b) a trade mark is registered subject to any conditions or limitations, the use of the trade mark in any manner in relation to goods to be sold or otherwise traded in, in any place, or in relation to goods to be exported to any market or in relation to services for use or available or acceptance in any place or country outside India or in any other circumstances, to which, having regard to those conditions or limitations, the registration does not extend;

(c) the use by a person of a trade mark'

(i) in relation to goods connected in the course of trade with the proprietor or a registered user of the trade mark if, as to those goods or a bulk or which they form part, the registered proprietor or the registered user conforming to the permitted use has applied the trade mark and has not subsequently removed or obliterated it, or has at any time expressly or impliedly consented to the use of the trade mark; or

(ii) in relation to services to which the proprietor of such mark or of a registered user conforming to the permitted use has applied the mark, where the purpose and effect of the use of the mark is to indicate, in accordance with the fact, that those services have been performed by the proprietor or a registered user of the mark;

(d) the use of a trade mark by a person in relation to goods adapted to form part of, or to be accessory to, other goods or services in relation to which the trade mark has been used without infringement of the right given by registration under this Act or might for the time being be so used, if the use of the trade mark is reasonably necessary in order

to indicate that the goods or services are so adapted, and neither the purpose nor the effect of the use of the trade mark is to indicate, otherwise than in accordance with the fact, a connection in the course of trade between any person and the goods or services, as the case may be;

(e) the use of a registered trade mark, being one of two or more trade marks registered under this Act which are identical or nearly resemble each other, in exercise of the right to the use of that trade mark given by registration under this Act.

(3) Where the goods bearing a registered trade mark are lawfully acquired by a person, the sale of the goods in the market or otherwise dealing in those goods by that person or by a person claiming under or through him is not infringement of a trade by reason only of'

(a) the registered trade mark having been assigned by the registered proprietor to some other person, after the acquisition of those goods; or

(b) the goods having been put on the market under the registered trade mark by the proprietor or with his consent. (4) Sub-section (3) shall not apply where there exists a legitimate reason for the proprietor to oppose further dealings in the goods in particular, where the condition of the goods, has been changed or impaired after they have been put on the market.

35. Saving for use of name, address or description of goods or services.'Nothing in this Act shall entitle the proprietor or a registered user of a registered trade mark to interfere with any bona fide use by a person of his own name or that of his place of business, or of the name, or of the name of the place of business, of any of his predecessors in business, or the use by any person of any bona fide description of the character or quality of his goods or services.'

(emphasis supplied)

Thus, it is clear that the mark or indication which serves to designate the quality of the goods of the appellant, which indeed the phrase 'Sugar Free' does, would be an absolute ground for refusal of registration of a mark unless it has acquired a distinctive character. The expression can at best be said distinctive qua the artificial sweetener of the appellant and mere starting of the marketing of the drink 'sugar free D'lite' cannot give the appellant the right to claim distinctiveness in the expression 'Sugar Free' in relation to all the food products.

10. The learned Senior Counsel for the appellant has relied upon a plethora of judgments including the decision of the European Court of Justice in Baby Dry (supra) to claim that the expression 'Sugar Free' is a coined word and is distinctive in nature. Apart from the fact that the law laid down in the case of Baby Dry is not binding on us, it is also relevant to notice that in the said case the court permitted the registration on the basis of the categorical findings that the expression 'Baby Dry' was a syntactically unusual juxtaposition of two independent English words and was not a familiar expression in the English language. In our view, the expression 'Sugar Free' is neither a coined word nor an unusual juxtaposition of two English words especially when such expressions are commonly used, both in written, as well as spoken English, for example, 'hands-free' (for mobile phones) and 'fat free' (for food articles) and thus cannot be permitted exclusive use for only the appellant's product.

11. The appellant has relied upon the case of Godfrey Philips India Ltd. (supra) wherein it was held that a descriptive trademark may be entitled to protection if it has assumed a secondary meaning which identifies it with a particular product or has been from a particular source. It is also relevant to mention here the judgment of Home Solutions (supra) was also relied upon by the respondents, wherein it was held that 'the expression 'HOMESOLUTIONS' is inherently incapable of becoming distinctive of any single person with respect of any single product or service. It is generic and publici juris. It describes the nature of services offered.' Thus, in our view, the mark 'Sugar Free' is inherently incapable of becoming distinctive of the product of the appellant and hence the ratio of Godfrey Philips would thus not be applicable. Even if it is assumed that the mark of the appellant has become distinctive qua the artificial sweetener, however, the protection to the mark qua the product artificial sweetener cannot be extended to all the food products of any

competitor in the market. We also affirm and reiterate the view taken by the learned Single Judge that the appellant's product is a sweetener/sugar substitute, and sweeteners are generally understood in their functional sense, that is, in terms of utility when added to foods and beverages. To an average consumer, a sweetener is known to exist only when added to food and beverages, and its own identity gets merged in the food and beverages to which it is added. Thus, the expression 'Sugar Free' when used in relation to a sweetener may really describe a sweetener in the sense of its generic meaning, and what it connotes is the specific nature and characteristics of the product.

12. In support of the contention of the appellant that even if it is assumed that the mark 'Sugar Free' is descriptive, it nevertheless has attained distinctiveness as it has been associated with the business of the appellant for a considerable period of time and, therefore, any adoption of a similar mark by the respondent establishes dishonest intention of the respondent, the learned Senior Counsel has relied upon the cases of Info Edge (India) Pvt. Ltd., Societe Des Products NESTLE S.A, Essel Packaging and Caterpillar Inc. (supra). In our view, before ascertaining whether the expression 'Sugar Free' has acquired a secondary meaning and assumed distinctiveness what has to be borne in mind is the specialized nature of the appellant's product. Being essentially a sweetener, the popularity of the sugar free range of product will have to be necessarily ascertained to be popular amongst the specific or limited class of consumers. 'Sugar Free' is an item consumed by the elite class of consumers who are aware of the utility of such products or by those who by virtue of their affluence acquire weight related problems such as obesity, diabetes, high cholesterol. The learned Single Judge has also rightly in our view found that the popularity of the appellant's product is restricted to such kind of consumers only. The reach of the appellant's sweetener would largely be confined to such elite consumers. Thus, the factum of the specialized nature of the appellant's product vis-vis its specific reach, in fact, leads to the conclusion that the expression 'Sugar Free' cannot be held to have acquired such distinctiveness qua the food products in general which may bar its user at least in a descriptive sense by any other competitors in the field of food products. Besides the above factors such an elite class of customers is well informed and is unlikely to be misled into believing the defendant's to be that of the plaintiff/appellant.

13. In the case of Cadila Healthcare Limited v. Shree Baidyanath Ayurved Bhawan Pvt. Ltd., decided on 9th July 2008, the learned Single Judge reiterated the view taken by the learned Single Judge in the impugned judgment challenged in this appeal and held as follows:

8. In the Sugarfree-I case, Sistani J, considered in detail the various factors and arguments pointed out on behalf of the plaintiff as well as the defendant therein. The following conclusions in the Sugarfree-I case are relevant for the purposes of the present case:

1) 'Prima facie, it is difficult for me to accept the plaintiff's claim of the expression 'Sugar Free' being a coined word. 'Sugar Free' cannot, in the least, be a coined word and neither does 'Sugar Free' appear to me an unusual combination or juxtaposition of words....' [See: para 24 of Sugarfree-I]

2) ...Thus, the expression 'sugar free' , when used in relation to a sweetener/sugar substitute, may not be 'descriptive in meaning' but it is certainly 'descriptive in understanding' . [See: para 26 of Sugarfree-I]

3) ...There is all possibility or likelihood, and in fact it is usually the case, that words which in the course of time acquire secondary meanings as trade marks are also used and understood in linguistics in their primary sense. For instance, words like 'Catterpiller' , 'Panther' , etc. are famously known for their dual meanings, that is, both in their primary sense as generic words of animals as well as in their secondary sense as well known trade marks....' [See: para 34 of Sugarfree-I]

4) ...Thus, while ascertaining the distinctiveness of a trademark in relation to a product, it is paramount to first identify the range or circumference of the consuming class of such product, and measure the distinctiveness of the trademark only within such range or circumference. [See: para 37 of Sugarfree-I]

5) ...a good reason to assume that the trade mark 'Sugar Free' has acquired a

considerable degree of distinctiveness amongst traders and consumers. However, it is to be borne in mind that the acquisition of a secondary meaning by a trade mark or the distinctiveness associated with it are not ipso facto conclusive of an action for passing off.... [See: para 42 of Sugarfree-I]

6) ...There may be a possibility, though less likely, that such consumer may be misled into believing that the plaintiff's product being in the nature of an 'add on' has been used as an ingredient in the preparation of the defendant's Pro Biotic Frozen Dessert and, thus, may be gravitated to purchase the defendant's product. [See: para 48 of Sugarfree-I]

7) ...though the petitioner has *prima facie* been successful in establishing the distinctiveness of its trade mark 'Sugar Free' in relation to its products, it has not been able to satisfy this Court why an embargo should be placed on the defendant from absolutely using the expression 'Sugar Free', especially when the defendant has *prima facie* satisfied this Court of its bona fide intention to use the said expression not as a trade mark but only in its descriptive or laudatory sense....' [See: para 55 of Sugarfree-I]

9. In view of the aforesaid conclusions which were, of course, of a *prima facie* nature, Sistani, J in Sugarfree-I, while directing that the defendant was free to use the expression "Sugar Free" as a part of a sentence or as a catchy legend so as to describe the characteristic feature of its product, restrained the defendant from using the expression "Sugar Free" in the present font size which was conspicuously bigger than its trade mark 'Amul'.

10. Since the plaintiff's claim in respect of the expression "Sugar Free" has been examined threadbare in Sugarfree-I, it is neither necessary nor appropriate for me to have a relook. There is no need to reinvent the wheel, as it were. From Sugarfree-I, it is apparent that the *prima facie* view is that the expression "Sugar Free" is not a coined word. It is also clear that in making the observations with regard to "Sugar Free" having acquired a considerable degree of distinctiveness, Sistani J, was only referring to a specific class of consumers and that too in respect of the plaintiff's products, i.e., sugar substitutes / artificial sweeteners. The distinctiveness that is spoken of in Sugarfree-I, therefore, has to be limited to the plaintiff's products. It must also be noted that, while the considerable degree of distinctiveness of "Sugar Free" in relation to the plaintiff's products was *prima facie* recognized, the court also took the view that no embargo could be placed on the defendant from absolutely using the expression "Sugar Free", particularly in a descriptive sense.

11. It has been contended on the part of the defendant that the expression "Sugar Free" is in public domain and cannot be appropriated exclusively by the plaintiff. Examples of numerous products, including biscuits, ice-creams, chocolates, candies, mints, pan cakes and waffles, all of which use the expression "Sugar Free" prominently, have been presented on behalf of the defendant. Even judicial notice can be taken of the fact that the expression "Sugar Free" is commonly used to denote that a particular food article does not contain sugar and / or has been sweetened by using sugar substitutes / artificial sweeteners. In that sense, the expression "Sugar Free" is generic. However, in Sugarfree-I, it has been observed that "Sugar Free" in relation to sweeteners has attained a certain degree of distinctiveness referring to the plaintiff's products. That, of course, is a *prima facie* conclusion and is subject to the final decision in the suit. However, assuming that conclusion to be valid for the purposes of the present case also, it must be reiterated that the "considerable degree of distinctiveness" relates only to artificial sweeteners / sugar substitutes and is limited to such products. Sugar Free, *prima facie*, has not attained any distinctiveness as alleged by the plaintiff, outside the field of sugar substitutes / artificial sweeteners.

Therefore, the plaintiff would not be entitled, *prima facie*, to appropriate the expression "Sugar Free" in respect of any field of activity beyond its range of artificial sweeteners / sugar substitutes. This is de hors the question as to whether the plaintiff can at all claim "Sugar Free" as a trademark, which question would have to be conclusively determined in the suit.|| The learned Single Judge in the above quoted decision of Shree Baidyanath Ayurved Bhawan Pvt. Ltd, noticed that while a considerable degree of distinctiveness in relation to the appellant's artificial sweetener was *prima facie* recognized by the learned

Single Judge in the case of Sugar Free-I, nevertheless, the distinctiveness acquired qua the artificial sweetener by the appellant is, in our view, not sufficient enough to deny the respondent the descriptive uses of the phrase 'Sugar Free', particularly, when the respondent's product is frozen desserts, a market segment in which the appellant is totally absent. In our view, even the entry of the appellant into the beverage market 'Sugar Free D'lite' has not been shown to acquire such distinctiveness so as to bar all food products of the other competitors from using the phrase 'Sugar Free' in a purely descriptive sense.

14. In consonance with the above view we are also not in a position to agree with the appellant that the word 'Sugar Free' has become so distinctive of the sugar substitute and has acquired such a secondary meaning in the sugar substitute market that it cannot refer to any other food product except the appellant's sugar substituted product labelled 'Sugar Free'. There cannot be any doubt that the word 'sugar free' is not inherently distinctive and is clearly descriptive in nature. In fact, the word 'Sugar Free' in essence clearly only describes the characteristics of the appellant's product and therefore, cannot afford it the protection sought in the plaint by restraining the respondent from using the phrase 'sugar free'. 'Sugar Free', *prima facie* has not attained any distinctiveness, as alleged by the appellant outside the field of sugar substitute artificial sweeteners and the appellant would not be entitled to exclusively claim the user of the expression 'sugar free' in respect of any product beyond its range of products and the respondent cannot be restrained from absolutely using the expression 'Sugar Free', particularly in the descriptive sense. A mere descriptive usage of the expression 'Sugar Free' by the respondent may thus blunt the edge of claim of distinctiveness by the appellant. However, we make it clear that if any party enters into the domain of artificial sweeteners with the trademark 'Sugar Free' the appellant may have a just cause in seeking restraint.

15. The learned Senior Counsel for the respondent Shri Mihir Joshi has vehemently argued that the size of the font is not inappropriate in the context of trade usage as it merely serves to emphasize the category and unique selling point of the product and prominence of use, by itself, and would not amount to misrepresentation particular in view of the common font styling, which is completely different than that used by the appellant. He thus urged that the learned Single Judge was not justified in imposing the restrictions. In view of the findings recorded in the judgment about the descriptive nature of the phrase 'Sugar Free', we cannot restrict the use of the expression 'Sugar Free' by the respondents especially as the part of a sentence or a catchy legend so as to describe the characteristic features of its product. The learned Single Judge, on the nature of lettering, has observed at the interlocutory stage that the respondents are exhibiting the expression 'Sugar Free' in a manner which even though *prima facie* does appear to be descriptive but still seems inappropriate and held that the respondents are restrained from using the expression 'Sugar Free' in the present font size which appeared conspicuously bigger than its trademark 'Amul'. The grievance of the appellant, in our view, has also been adequately redressed by the restriction on the size of font by the learned Single judge which adequately ensures that no connection with the appellant is indicated and the possible figuring of the appellant's product as the ingredient of the respondent's product is discounted and the usage of the appellant limited to the descriptive sense. Mr. Mihir Joshi's contention for the respondent that there can be no restraint of any kind on the font for the user of the phrase 'Sugar Free' by the respondent cannot thus be accepted at this interim stage particularly in view of the past correspondence between the appellant and the respondent of the possible use by the respondent of the appellant's product. In our view, the interim order of the learned Single Judge at the interlocutory stage is justified and does not warrant any interference. The remedy for the grievance made by the appellant regarding the use of the expression 'Sugar Free' in an inappropriate font size would be in the form of contempt petition. We were informed during the course of the hearing that a contempt petition has been filed and the same is pending before the learned Single Judge.

16. Accordingly, the appeal and the cross objections are dismissed with no order as to costs.