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MANU/DE/2256/2008

Equivalent Citation: 2008(38)PTC617(Del)

IN THE HIGH COURT OF DELHI

FAO (OS) No. 387/2008

Decided On: 12.09.2008

Appellants: **Cadila Health Care Ltd.**
Vs.
Respondent: **Dabur India Ltd.**

Hon'ble Judges/Coram:
Sanjay Kishan Kaul and Mool Chand Garg, JJ.

Counsels:
For Appellant/Petitioner/plaintiff: Rajiv Nayyar, Sr. Adv., Pratibha M. Singh, Bijal Chatrapati and Sudeep Chatterjee, Advs.

For Respondents/Defendant: Sudhir Chandra, Sr. Adv., Hemant Singh, Mamta Rani Jha and Manish Kr. Mishra, Advs.

Subject: Intellectual Property Rights

Acts/Rules/Orders:
Code of Civil Procedure, 1908 (CPC) - Section 151, Code of Civil Procedure, 1908 (CPC) - Order 39 Rule 1, Code of Civil Procedure, 1908 (CPC) - Order 39 Rule 2

Cases Referred:
Cadila Healthcare Ltd. v. Gujarat Co-opeartive Milk Marketing Federation Limited and Ors. 2008 (36) PTC 168 (Delhi.); Wander Ltd. and Anr. v. Antox India Pvt. Ltd. MANU/SC/0595/1990 : 1990 Supp. (1) SCC 727; Printers (Mysore) Private Ltd. v. Pothan Joseph; Charles Osention and Co. v. Johnston

Citing Reference:

Discussed	3
Mentioned	1

Disposition:
Appeal dismissed

Case Note:
Intellectual Property Rights - Infringement of trade mark - Single Judge held that case of Appellant as one founded on common law of tort of passing off and not one based on infringement of registered trade mark and packaging of Respondent's product was found to have sufficient added matter therein to distinguish Respondent's product from that of Appellant - Hence, this Appeal - Whether, order passed by Single Judge was valid - Held, it was open to Appellant to prove its case of passing off by leading appropriate evidence - Single Judge had compared two cartoons and had benefit of seeing packaging of two products - However, Court was in agreement with view taken by Single Judge that use of expression "SUGAR FREE" was not carried out in such manner as for purchasing public to perceive it as product of Appellant - Further, expression "SUGAR FREE" was written in smaller font as compared to expression "Chyawanprakash" - Trade mark of Respondent "Dabur" was prominently displayed - Thus, it was clear that expression "SUGAR FREE" in sentence was to define fact that Chyawanprakash was free from sugar - Hence, there was no reason to interfere with order passed by Single Judge - Appeal dismissed.

Ratio Decidendi:
"If there is any infringement of trade mark, then burden is on party to prove it."

JUDGMENT

Sanjay Kishan Kaul, J.

CM 13141/2008(exemption)

manupatraExemptions allowed subject to all just exceptions.

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1. The appellant filed a suit for permanent injunction restraining passing off of the trade mark "SUGAR FREE", for damages, for rendition of account, delivery etc. The plaintiff claims to be a leading pharmaceutical company of India and claims that in the year 1988 they developed and launched in the market a product without natural sugar, containing an artificial sweetner, as a low calorie table top sweetner under the trade mark "SUGAR FREE". The trade mark of the plaintiff is not registered but it is the case of the plaintiff that the expression "SUGAR FREE" came to occupy a secondary meaning in respect of the product of the plaintiff.

2. The defendant is manufacturing and marketing ayurvedic medicines, proprietory medicines and food products. It is the claim of the appellant that the defendant has dishonestly adopted the mark "SUGAR FREE" which completely erodes the distinctiveness which is associated with the mark "SUGAR FREE".

3. The plaintiff along with the plaint filed an application for interim relief under Order 39 Rule 1 and 2 read with Section 151 of the Code of Civil Procedure, 1908. It is this application which has been dismissed by the learned Single Judge in terms of the impugned order dated 09.07.2008. It may be noticed that the claim of exclusive right of the plaintiff to "SUGAR FREE" forms subject matter of adjudication at the interlocutory stage in another application filed under Order 39 Rule 1 and 2 of the said Code being IA No. 3847/2007 in C.S.(OS) No. 605/2007 Cadila Healthcare Ltd. v. Gujarat Co-opeartive Milk Marketing Federation Limited and Ors. 2008 (36) PTC 168 (Delhi.) It is this judgment which has been taken note of in the impugned order and after discussing the ratio of the said judgment the learned single judge in the impugned order has decided to follow the same course of action though there is some difference in the final directions passed by the two learned Judges.

4. In Cadila Healthcare Ltd. v. Gujarat Co-opeartive Milk Marketing Federation Limited and Ors. (Supra) the conclusion arrived at have been reproduced in para 8 of the impugned judgment. The prima facie finding is that the plaintiff's claim of the expression "SUGAR FREE" being a coined word could not be accepted but the said expression when used in relation to a sweetner/sugar free substitute may not be descriptive in meaning but is certainly descriptive in understanding. The word Sugar Free has been held to have acquired a suitable degree of distinctiveness amongst traders and consumers simultaneously it has been observed that the acquisition of a secondary meaning by a trade mark or distinctiveness associated with it are not ipso facto conclusive for an action of passing off. It was held that there could be no complete embargo placed on the defendant in the suit from using the expression "SUGAR FREE" but taking into consideration the fact that the goods in question being ice cream with the trade mark Amul were being sold with Sugar Free written in a very large font as compared to the trade mark Amul, the following operative directions were passed:

> 59. The ex parte order dated 3.4.2007 is accordingly varied to incorporate the following directions:
>
> (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.

5. The learned Single Judge in the impugned order has taken into account the fact that the case of the plaintiff is one founded on the common law of tort of passing off and not one based on infringement of a registered trade mark and the distinction between two has to be kept in mind. The packaging of the defendant's product was found to have sufficient added matter therein to distinguish the defendant's product from that of the plaintiff. The defendant has used the trade mark "Dabur" prominently. The name of the product Chyawanprakash has been used in a bold manner and in a far more prominent manner than the expression "Sugar Free". The packaging clearly conveys to the purchasing public that the product in question "Chyawanprakash" of the manufacturer "Dabur" was being sold which was free of sugar. It was, thus, held that there is no possibility of any deception.

6. Learned Counsel for the appellant seeks to contend that the distinctiveness acquired by the expression "SUGAR FREE" in respect of the product of the petitioner, specially keeping in mind the observations made by the learned single judge in Cadila Healthcare Ltd. v. Gujarat Co-opeartive Milk Marketing Federation Limited and Ors. (supra) entitles the appellant to the exclusive use of the expression. It was further pleaded that the learned Single Judge in the impugned order while following the said judgment has failed to notice the interim directions issued in para 59 referred to above and has given a clean chit to the respondent to sell its goods with the expression "SUGAR FREE"

7. We may at the initial stage itself keep in mind the scope and ambit of the scrutiny of an appeal against an interlocutory order especially in the context of infringement of any intellectual property right in view of the judgment of the Apex Court in Wander Ltd. and Anr. v. Antox India Pvt. Ltd. MANU/SC/0595/1990 : 1990 Supp. (1) SCC 727. The Apex Court impressed upon the appellate court not to interfere with the orders of the learned Single Judge on the ground that the appellate Court would, on assessment of the material, have come to a different conclusion than the one reached by the Court below as long as the conclusion reached by

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the Court was reasonably possible on the material on record. It was thus held that there was a misdirection in understanding the scope and nature of appeal before it and discussed the limitation on the powers of the appellate court to substitute its own opinion in appeal preferred against the discretionary order. We consider it useful to reproduce the observations made in para 9 of the said judgment:

> 9. The appeals before the Division Bench were against the exercise of discretion by the Single Judge. In such appeals, the Appellate Court will not interfere with the exercise of discretion of the court of first instance and substitute its own discretion except where the discretion has been shown to have been exercised arbitrarily, or capriciously or perversely or where the court had ignored the settled principles of law regulating grant or refusal of interlocutory injunctions. An appeal against exercise of discretion is said to be an appeal on principle. Appellate Court will not reassess the material and seek to reach a conclusion different from the one reached by the court below if the one reached by the court was reasonably possible on the material. The appellate court would normally not be justified in interfering with the exercise of discretion under appeal solely on the ground that if it had considered the matter at the trial stage it would have come to a contrary conclusion. If the discretion has been exercised by the Trial Court reasonably and in a judicial manner the fact that the appellate court would have taken a different view may not justify interference with the trial court's exercise of discretion. After referring to these principles Gajendragadkar, J. in Printers (Mysore) Private Ltd. v. Pothan Joseph said:
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> > ...These principles are well established, but as has been observed by Viscount Simon in Charles Osention & Co. v. Johnston the law as to the reversal by a court of appeal of an order made by a judge below in the exercise of his discretion is well established, and any difficulty that arises is due only to the application of well settled principles in an individual case.
>
> The appellate judgment does not seem to refer to this principle.

8. The aforesaid observations leave no doubt on the scope and ambit of scrutiny by this Court. It is not the function of this Court to sit and substitute the opinion of the learned Single Judge and endeavour to find out as to what decision it would have taken in the given facts and circumstances. It is only a power exercised arbitrarily or capriciously or perversely or in ignorance of the settled principles of law regulating grant or refusal of interlocutory injunctions would interference be called for.

9. If the present appeal is scrutinized within the aforesaid parameters we find no reason to interfere with the impugned order. The stage of leading evidence by the parties to establish their case has yet not arrived. It is always open to the appellant to prove its case of passing off by leading appropriate evidence. What has to be seen at this stage is whether the packaging of the two products is in such a manner that assuming that the expression "SUGAR FREE" has a distinctiveness associated with the product of the appellant, there is any chance of misleading the purchasing public. The learned Single Judge has compared the two cartoons and we have also had the benefit of seeing the packaging of the two products. We are in agreement with the view taken by the learned Single Judge that the use of the expression "SUGAR FREE" is not carried out in such a manner as for a purchasing public to perceive it as the product of the appellant. The expression "SUGAR FREE" is written in a smaller font as compared to the expression "Chyawanprakash". The trade mark of the respondent "Dabur" is prominently displayed. It is thus, clear that the expression "SUGAR FREE" in the sentence is to define the fact that the Chyawanprakash is free from sugar.

10. It is in view of the aforesaid that we are of the view that the directions as contained in the order in Cadila Healthcare Ltd. v. Gujarat Co-opeartive Milk Marketing Federation Limited and Ors. (Supra) are not required to be passed in the present case. Those directions were required in the facts of that case dependent on the font of the "SUGAR FREE", the font of the trade mark and the manner in which both have been interposed on the cartoon of the respondent.

11. We find no reason to interfere in the appeal.

12. Dismissed.

13. Needless to say that any observation made herein would not in any manner prejudice the appellant at the stage of final hearing of the suit.

CM 13140/2008(stay)

In view of the above, dismissed as infructuous.

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