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Headline: Storm in a tea cup

The Registrar of Trademarks, United Kingdom, this August passed an order awarding Unilever plc the use of the name 'CHAE' as a trademark for teas, herb teas, iced teas, fruit teas, among other forms of tea.

Here's the background: on March 18, 1999, Unilever filed three trademark applications for registering 'Chai', 'Tchai' and 'Chae' in the UK, but for reasons unknown withdrew the first two applications on January 20 the next year. The withdrawal came on heels of an advertisement on December 12, 1999 by the registrar calling for opposition to 'Chae'.

All the three Unilever applications go against the fundamental grain of trademark law. It is an essential principle of trademark law the world over that a trademark should not be descriptive of the goods for which it is sought to be registered. For instance, the word 'microprocessor' cannot be registered as a trademark in respect of computers or the word 'couch' for a furniture trademark.

Ideally, a trademark should be a distinctive, invented word and not descriptive or generic word to describe the goods in question. Trademark rights, being private monopoly rights, once granted, are perpetual. A generic word used to denote certain goods, therefore, should not be allowed to be monopolized by any trader as a trademark, because others will not be allowed to describe such goods.

The Unilever application for 'Chae' did raise opposition. Wistbray Ltd, a tea trading company in the UK, opposed the Unilever application. Wistbray's opposition was sound: 'Chae' is devoid of any distinctive character being simply the name of the goods under the application; 'Chae' designates the characteristics of the goods therein, namely, tea; and that 'Chae' is visually and phonetically almost identical to '*chai*', a generic word to describe tea and tea products.

Three affidavits were also filed by way of evidence: by Bruce Ginsberg, the Wistbray managing director; Christopher Dawson, a buyer from the grocery department of Waitrose Ltd, a retail chain; and Mahendra Jain, London-based director of the Tea Board of India. The affidavits argued that the word '*chai*' or its variants such as 'cha' and 'char' mean tea in various Asian and Indian languages, Russian and Chinese. Owing to such usage, the said words passed into various English language books in relation to India. 'Chae' being very similar to the word '*chai*', it was argued, would lead consumers - especially, those of Asian origin - to believe it is a tea product rather than a trademark.

The UK registrar rejected all these arguments and ruled that the trademark 'Chae' is capable of distinguishing Unilever products from those of other companies; that 'Chae', being not visually and linguistically meaningful, is an invented word; that Wistbray failed to produce any evidence to prove that 'Chae' is descriptive of the goods therein; and that the fact that 'Chae' differs from 'chai', 'cha' etc by one alphabet can be considered sufficient to make it different.

The ethnic South Asian and Chinese population in the UK for whom 'Chae' would be just another linguistic variation of tea seems to have been ludicrously ignored by the registrar. With the last date for filing an appeal against the decision having expired on September 18, the word 'Chae' has become a reality as a trademark.

The impact? Imagine an Indian tea company trying to promote its tea in the UK with focus on the colossal Indian population there and using a slogan which has the word 'chai' as part thereof. With this registration in place, Unilever is armed with enough ammunition to stop the Indian company from using the word 'chai' in its advertisements on the ground that it infringes their registered trademark 'Chae', being visually and phonetically identical. Further, traders in UK could find it difficult to describe their tea as *chai* without interference from Unilever. The UK registration enables Unilever to obtain similar registrations in the rest of the European Union.

The fact that Unilever had applied to register 'Chai', 'Tchai' and 'Chae', withdrew the first two and proceeded *only* with 'Chae' shows that Unilever knew exactly what it was doing. The history of the applications and the proximity of the dates of advertisement of 'Chae' and withdrawal of 'Chai' and 'Tchai' indicate that Unilever foresaw the trouble in store for the withdrawn marks.

Precedents indicate that the UK Registry rejects only those marks that are generic words in European languages. Hence, if the mark 'Stylo' is applied for registration in respect of writing instruments in the UK, it may be refused registration as in French it means 'pen'. But, if 'Stylo' is replaced by, say, 'Toolika' which is the Sanskrit equivalent for pen, it will be accepted, for presumably no European language uses 'Toolika' to describe writing instruments!

All is not lost; at least, yet. The Government of India can file for a cancellation action once again raising the points brought up by Wistbray and taking care of the deficiencies pointed out by the Registrar and adducing more evidence of public recognition of the word 'Chae' as tea.

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