

SPECIAL COVERAGE

Victory for Basmati rice in Europe: Basmati v. Basmali

Basmati rice needs no introduction. This famous aromatic long grain rice, native only to India and Pakistan and grown in a specific region of the Indo-Gangetic Plains below the foothills of the Himalayas, has in the past faced and survived many an attack outside its home turf. The most recent triumph was before the General Court of the European Union which is discussed below.

The genesis of the action was an opposition filed before OHIM in 2004 by a company in India, namely, Tilda Riceland Limited ('Tilda'), against the community trade mark BASMALI and design in respect of 'long rice' filed by Siam Grains Limited, Thailand. Being a community trade mark application, Tilda's rights in the opposition were governed by the Regulation (EC) No 40/94 [now Regulation (EC) No 207/2009].



Article 8(4) of the said Regulation states as follows:

8.4 Upon opposition by the proprietor of a non-registered trade mark or of another sign used in the course of trade of more than mere local significance, the trade mark applied for shall not be registered where and to the extent that, pursuant to

the Community legislation or the law of the Member State governing that sign:

- (a) *rights to that sign were acquired prior to the date of application for registration of the Community trade mark, or the date of the priority claimed for the application for registration of the Community trade mark;*
- (b) *that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.*

Tilda identified the earlier right in the opposition as a non-registered name Basmati as a sign used in the course of trade, designating a class of traders and that within the United Kingdom, the name Basmati has a high degree of reputation and goodwill attached to it which belongs to all those who produce and sell Basmati rice within the United Kingdom. The 'extended' form of action for passing off under the UK law allowed several traders to have rights over a sign which has acquired a reputation on the market.

Before OHIM

Tilda's opposition was unfortunately rejected by the Opposition Division of OHIM in 2008 primarily on the ground that there were no documents submitted by Tilda to demonstrate the marketing of Basmati rice which it exported to the UK from India. As such, it found that Tilda had failed to prove the necessary goodwill acquired by it in the UK that was necessary to succeed under the law of passing off in the UK. Tilda appealed before the Board of Appeals, OHIM.

Before the Board of Appeals

A further appeal by Tilda to the Board of Appeal was also rejected in 2009 on grounds, inter alia, that Tilda had failed to show that it was the proprietor of the rights in the unregistered mark Basmati as per the requirements under Article 8(4) of the Regulation. The Board held that Tilda was required to prove ownership of the earlier sign being Basmati in this case in addition to showing ownership of goodwill. However, it found that this did not mean that a passing-off argument may never be brought in the framework of Article 8(4) CTMR. A further appeal was made before the General Court.

On January 18, 2012, the General Court reversed the order of the Board of Appeals and found as follows:

- The Board of Appeal's finding that Tilda had to prove its formal 'ownership' of the rights in the Basmati sign to succeed in its opposition was a restrictive approach and was contradictory to the fact that the signs referred to in Article 8(4) of CTMR were most often based on use rather than registration.
- The question whether Tilda had acquired rights over Basmati and whether it was proprietor of the same relied on for the purposes of Article 8(4) could not be addressed without considering the UK law of passing off (under which rights in unregistered marks can be enforced by a right holder) relied upon to support the opposition.
- Under the UK law, within the context of an action for passing off, the status of proprietor of an earlier right cannot be defined independently and without account being taken of the opponent's ability to prevent the use of a trade mark. Under section 5(4) of the UK Trade Marks Act 1994, in respect of passing off, the status of Tilda's earlier right arose from its ability to prevent the use of Basmati by third parties.
- The Board of Appeal erred in rejecting the opposition on the ground that Tilda had not proved that it was proprietor of the Basmati sign, without analyzing specifically whether Tilda had acquired rights over that sign in accordance with UK law.

Finally, OHIM was ordered to pay two thirds and Siam Grains was ordered to pay one third of Tilda's costs.

(Tilda was represented before the General Court by Simon Malynicz, Barrister under instructions from Lee Bolton Monier Williams, London and K&S Partners, Gurgaon.)

DARJEELING registered as PGI under ECR 510/2006

On November 9, 2011, Darjeeling tea became the first non-Chinese tea to be protected as a geographical indication in the European Union (EU) under the European Commission Regulation 510/2006. With this registration, the special qualities of Darjeeling tea are now legally and statutorily recognized and protected both in India and in the EU. Filed in November 2007, the application for 'Darjeeling tea' as a Protected Geographical Indication (PGI) under European law underwent normal lengthy administrative procedures before the European Commission. More importantly, the application stood up to fierce objections from France and Germany, Italy, Austria and the United Kingdom on behalf of the different national members of the European Tea Committee (ETC). Among other objections, ETC, representing EU tea blenders, claimed that the reputation of Darjeeling tea had been achieved by the EU tea blenders and not the producers and plantation workers.

Rejecting the objections raised, the European Commission held:

- that the savoir-faire and acquired skills employed by producers as well as the pedo-climatic features and geographical environment of the geographical area of Darjeeling (natural drainage of the soil, complex combination of very high rainfall and continuous low temperatures) significantly affect Darjeeling tea's characteristics which constitute the core of its reputation;
- the name "Darjeeling" should only be used as a sales designation for tea grown and processed in accordance with the PGI. That means that, to be called "Darjeeling tea", tea must be grown and dried in the Darjeeling area by traditional methods. The tea may be packaged outside of Darjeeling and teas from different Darjeeling tea gardens may be blended;

- tea which is a mixture of Darjeeling with other teas cannot bear the name “Darjeeling”;
- tea not conforming to the Darjeeling PGI specification can still be called “Darjeeling tea” for a transitional period of 5 years but only if that tea had been legally marketed in the EU for at least five years prior to 14 October 2009; this is, for example, applicable to green or white Darjeeling tea, but not to mixtures of Darjeeling tea with teas of others origin misleading the consumer;

With this registration, the name “Darjeeling” can only be used to denote tea:

- grown in Darjeeling and which is processed in the typical/Darjeeling style of manufacture in the factories situated within the specified gardens within the defined Darjeeling tea growing area; and
- for which all steps of production, with the exception of packaging, (harvesting, drying and processing) has taken place in the defined area.

The registration under this Regulation protects “Darjeeling” in all the Member States of the EU against:

- any direct or indirect commercial use of the name Darjeeling in respect of tea or products comparable to tea or in so far as it exploits the reputation of the name Darjeeling;
- any misuse, imitation or evocation even if the true origin of the product is indicated or accompanied by an expression such as ‘style’, ‘type’, ‘method’, ‘as produced in’, ‘imitation’;
- any other false or misleading indication;
- any other practice liable to mislead the consumer as to the true origin of the product.

CASE LAW UPDATE

Imposition of costs must be realistic – Delhi High Court

In an infringement action by the proprietor of the ‘Lemon Tree’ chain of hotels [Krizm Hotels Private Limited v.

Vaishnavi Estates (P) Ltd], the High Court of Delhi, while holding that the defendant’s apartment project under the impugned name ‘Lemon Tree Apartments’ did infringe the rights of the plaintiff also found that courts had to take into consideration pragmatic realities and must be realistic while imposing costs. Quoting from the Supreme Court order in Ramrameshwari Devi v. Nirmala Devi the court pointed out the following:

- Imposition of actual, realistic or proper costs and or ordering prosecution would go a long way in controlling the tendency of introducing false pleadings and forged and fabricated documents by litigants.
- Imposition of heavy costs could control unnecessary adjournments by the parties
- If ex parte injunction is granted in a case, then the interim application for grant of injunction should be disposed of on merits, after hearing both sides as expeditiously as possible.
- Court may also consider as to how long the defendants were compelled to contest and defend the litigation in various Courts.

Having pointed out these findings of the Supreme Court, the Court held that the defendant in the present case raised a totally frivolous and dishonest defense (that the mark ‘Lemon Tree’ was distinctive of the defendant’s business and that they had invested huge amounts and given wide publicity to the said apartment project) causing the hearing of the injunction application to continue for seven hearings. Accordingly a cost of Indian Rupees 200,000 (approximately USD 4000) was imposed on the defendant by the Court.

Delhi High Court interprets border enforcement rules

The Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007 issued on May 8, 2007 under the Customs Act, 1962 came for interpretation in a recent order of the High Court of Delhi [LG Electronics Pvt. Ltd v. Bharat Bhogilal Patel & Ors]. Under the said rules, a right holder of an intellectual property may give notice to the Commissioner of Customs at the port

of import of goods infringing his intellectual property rights requesting for suspension of clearance of such goods suspected to be infringing his intellectual property rights. In a further notification issued on October 29, 2007 which listed the instructions for implementation of the said Rules, it was stated in Clause 4 as follows:

While it is not difficult for Customs officers to determine Copyright and Trade Marks infringements at the border based on available data/inputs, it may not be so in the case of the other three violations, unless the offences have already been established by a judicial pronouncement in India and the Customs is called upon or required to merely implement such order. In other words, extreme caution needs to be exercised at the time of determination of infringement of these three intellectual property rights.

In the present case, LG Electronics Pvt. Ltd, the plaintiff sought an injunction to stay the complaint by the defendant, a patent holder for a claimed invention relating to laser marking and engraving process, before the customs authorities seeking suspension of clearance of the plaintiff's goods on the ground that it infringed the defendant's patent. The plaintiff argued before the High Court of Delhi that the complaint of the defendant was in breach of clause 4 of the notification dated October 29, 2007. The Court upheld the plaintiff's contention and found that a mere reading of clause 4 made it clear that as far as the violation of patents, design and geographical indications, were concerned, customs authorities were only implementing agencies to enforce the orders, if passed by a Court in favour of the party making a complaint.

Can an unauthorized alumni association use the institution's name?

St. Stephen's College, New Delhi ('College'), a leading educational institution offering undergraduate and postgraduate degrees, has been in existence for the last 130 years. Over these years, the college has produced a long line of distinguished alumni including former presidents, eminent politicians, lawyers, writers, poets, film producers and famous media personalities. The official alumni association of the College was formed about 50 years ago under the name, 'St. Stephens College Alumni Association'.

The suit in question came to be filed before the High Court of Delhi [St. Stephen's College v. St. Stephen's College Alumni Association & Ors] by the College when an alumnus of the College registered a society under the name 'St. Stephens College Alumni Association' by falsely filing an affidavit that there was no society with an identical or resembling name. A notice to cease the unauthorized use yielded no result and it was found by the plaintiff College that the defendant had also created a website <http://ststephensalumni.co.in> which provided a hyperlink from its website to the plaintiff's website. Vide the suit, the plaintiff sought an injunction restraining the alumnus and the new association from using the name 'St. Stephens College Alumni Association', the College Crest, motto and logo and from representing itself as an alumni association of the plaintiff on the ground that the said use amounted to passing off its activities as that of the official alumni association of the College and that it misled the ex-students of the plaintiff from joining the new association. It was also alleged that the defendant association was also collecting funds by adopting the plaintiff's name.

The Court found that a person carrying on business or other activity under a particular name was entitled to seek protection against adoption and use of such or similar name by another person, after satisfying the Court that a damage had been caused to him or his reputation on account of confusion which was likely to be caused in the mind of the public. However, the Court found it acceptable that the defendant association change its name to "Association of Old Stephanians" and restrained the defendants from using the name 'St. Stephens College Alumni Association', the official crest of the College, its motto and the domain name ststephensalumni.co.in.

INSIGHT

Scotch Whisky: An example of sustained protection of a geographical indication

While many a product has been registered under the Indian Geographical Indications of Goods (Registration & Protection) Act, 1999 ('the GI Act') over the last eight years, no other geographical indication (GI) in India

today is perhaps as zealously protected as the ‘Scotch Whisky’. The GI “Scotch Whisky” refers to whisky produced exclusively in Scotland. Though the law relating to GIs in India is relatively new as compared to many of the European countries, the Scotch Whisky Association (SWA), Scotland, has been on the job of protection of the goodwill and property in the name Scotch Whisky in India for over the last five decades. The most recent victory for the SWA is an order by a District Court in Goa.

The facts of this case revolved around the use by the Goa based defendants, ‘Glenmon Distillers & Vintners Pvt. Ltd’ and Imperial Distillers and Vintners Pvt. Ltd., of the descriptions, ‘Single Malt Scotch Whisky’, ‘Scotch Whisky’, ‘Scotch’, ‘Imported Scotch’, ‘Specially Vatted Scotch’, ‘Blended with Single Malt Scotch’ as well as use of the name, ‘Glenmon’. Additionally, SWA also objected to the use of the name ‘Glenmon’ as part of the corporate name of Glenmon Distillers. The said objection was based on the grounds that ‘Glen’ is highly evocative of Scotland - in Gaelic language it means a ‘valley’ - and that several Scotch Whisky distilleries in Scotland are named after the ‘Glen’ in which they are located, as are the Scotch Whiskies produced therein – some of the famous examples being GLENFIDDICH, GLENLIVET, GLENMORANGIE etc.



The impugned expressions as described above were found on the labels and cartons of a number of Indian made whiskies sold under the brands ‘Royal Barrel’, ‘Glenmon’ and ‘F&G’. The defendants, inter alia, argued that there could not be any passing off because their labels were approved by the Excise Commissioner and even that they were promoting Scotch Whisky by such sales. Though SWA had filed a document to prove the

bad faith adoption of the name ‘Glenmon’, it was claimed by the defendants that there could not be any monopoly over the name ‘Glenmon’ and that it was adopted both from common Goan names, including Monteiro, and from the name of one of its directors, Mohan. On the other hand, the said document filed by SWA showed that the Glenmon Distiller’s explanation of adoption of the name ‘GLENMON’ before another authority, the Registrar of Companies, was that ‘GLEN’ had a Scottish meaning and also meant ‘valley’ and ‘MON’ was adopted for Monday.

While granting a temporary order in favour of SWA, injunction the defendants from using on any whisky other than Scotch Whisky the impugned descriptions ‘Single Malt Scotch Whisky’, ‘Scotch Whisky’, ‘Scotch’, ‘Imported Scotch’, ‘Specially Vatted Scotch’, ‘Blended with Single Malt Scotch’ as well as the trade mark or trade name ‘Glenmon’, the Court noted that SWA had been protecting SCOTCH WHISKY in a number of previous actions in India. The Court found that in matters of this kind, intention to deceive was not relevant if the general public was being misled by the products of the defendants. Despite this, the court did conclude that the defendants had acted dishonestly. Further, although the issue was passing off and not whether Scotch Whisky was a constituent in the products, the Court also took particular note of the fact that the defendants had nowhere in their written statement or written arguments stated that they had been purchasing Scotch Whisky for use as an ingredient of their Indian made whisky.

While the order of the Goan Court prohibits and injunctions the defendant from using on whisky other than Scotch Whisky the descriptions, inter alia, ‘Scotch Whisky’, what is notable is the finding regarding the use of the name ‘GLENMON’. Such a finding was based on the prima facie view of the supporting documents filed by SWA regarding the meaning of the element ‘GLEN’ as well as the judicial precedents in India, injunction third parties from using names and images that merely evoke Scotland when used in respect of whiskies.

The example of SWA must be inspiring for other GI owners in India both from a perspective of its perseverance in preventing any harm to the reputation and goodwill of Scotch Whisky and from a perspective of consumers with regard to misleadingly labeled products being consistently and relentlessly removed from the market place through such actions.

(K&S Partners is acting for SWA in this action along with local counsel from Goa. The action remains defended and is continuing before the court in Goa.)

OTHER UPDATES

TMO circular on points to note while filing trade mark applications

A recent circular has been issued by the Controller General of Patents Designs and Trade Marks to address the issue of trade mark applications filed with incomplete information. The said circular directs applicants to furnish the following information:

- Actual description of goods /services in respect of which the trade mark is proposed to be used or has been used should be mentioned rather than designating all goods/ services in a particular class
- The application shall state the names of proprietors in the case of a proprietorship firm, the names of all

partners in the case of partnership firm, the name of managing trustee in the case of a trust and the name of person representing the society in case of society.

- While stating the use of the trade mark, the actual date, month and the year should be specified rather than just the year or the month.
- The application shall provide proper translation/transliteration of the trade mark in the case of Non-English / Hindi characters appearing in the mark.
- The trade mark should be clearly visible

IPAB scorns at the practice of filing documents on the eve of the hearing

A circular issued by the Intellectual Property Appellate Board on December 27, 2011 has categorically discouraged the practice of parties filing documents on the eve of the hearing. The circular noted that in such situations the other party will necessarily take time to file its reply and that this could inconvenience outstation counsel who have come prepared for the hearing. Accordingly, the circular directs that any additional evidence that is absolutely necessary may be filed at least two weeks prior to the date on which the hearing is fixed. Additionally, any last minute application would be entertained only on payment of actual cost to the other side where it is an outstation counsel or on payment of exemplary costs.

Phones: +91 (124) 4708 700, Fax: +91 (124) 4708 760/780
E-mail: postmaster@knspartners.com Website: www.knspartners.com

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