



Intellectual Property Attorneys

I N D I A

IP UPDATE

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TRADITIONAL KNOWLEDGE DIGITAL LIBRARY (TKDL) ON AYURVEDA - The National Institute of Science, Communication and Information Resources (NISCAIR) and the Department of Indian Systems of Medicine and Homoeopathy (DISM&H) have entered into an agreement for setting up a TKDL on Ayurveda, one of India's oldest traditional systems of medicine, reports NISCAIR's website www.niscair.res.in. The objective behind this move is to address the serious national concern to safeguard Ayurveda from unscrupulous elements, who attempt to patent various practices under this system of medicine, claiming originality. India is rich in such traditional knowledge and is an easy prey for such non-original patent claims. Often times such patent claims are accepted because such traditional knowledge is either inaccessible or undocumented. TKDL will be available in English, German, French, Spanish and Japanese since these languages account for more than 98% of the international patent applications. Hopefully, this move would offer legitimacy to the existing traditional knowledge in India and enable protection of such information from getting patented by all those inventors who have a fancy for India's traditional systems of medicine. The report says that the project is progressing well. In the later stages, the project will also include traditional knowledge from other Indian systems of medicine such as Siddha, Unani, Yoga, naturopathy and folklore medicine.

INSIGHT

DARJEELING - Significant victory for Tea Board, India in the United States of America



The Trademark Trial and Appeal Board (TTAB) in the United States of America has upheld Tea Board, India's opposition to the mark DARJEELING NOUVEAU in respect of tea filed by Republic of Tea (hereinafter, ROT) and has also rejected ROT's counterclaim for cancellation of the DARJEELING certification mark on grounds of genericness. The decision is noteworthy as it makes important observations with regard to protection of certification marks and holds that the fundamental issue in determining whether a certification mark is generic is consumer understanding.

Tea Board's opposition to DARJEELING NOUVEAU was mounted on the premise that it has common law and statutory rights in the certification marks DARJEELING word and DARJEELING logo; it exercises control over use of the same by others to certify that tea sold under the DARJEELING marks is 100% Darjeeling tea and meets the other criteria laid down by it; it has been using the DARJEELING marks at least since 1987 in the United States and ROT's DARJEELING NOUVEAU mark when applied to tea is likely to create confusion and deception and dilute the distinctive character of the DARJEELING marks.

In its defense, ROT filed a counter claim for cancellation of the DARJEELING mark on the ground that it was generic. ROT argued that the Tea Board had failed to exercise legitimate control over the mark DARJEELING and consequently, it has lost its significance as an indication of geographic source and the consuming public viewed DARJEELING as a type of tea. ROT further argued that Tea Board's failure to police the mark resulted in unlicensed and unregulated use of DARJEELING in connection with non-Darjeeling tea. It pointed to the fact that there was no certification mark program in place in the United States prior to 1987 and that the Tea Board had never initiated any legal action against a third party for misuse of the DARJEELING mark. In support of its claims, ROT relied on survey evidence, dictionary definitions and third party usage of DARJEELING and the lack of widespread use of DARJEELING logo by third parties.

In response, Tea Board argued that it conducted educational programmes and participated in trade shows to increase consumer awareness of DARJEELING; the past and current certification scheme for use of the DARJEELING marks constituted adequate control; ROT had not demonstrated a single instance of misuse of the DARJEELING mark in connection with non-genuine Darjeeling tea and use of the term DARJEELING in various publications (dictionaries, books, newspaper articles etc.) and the evidence offered by ROT, all support the non-generic usage and understanding of the DARJEELING geographic certification mark.

Holding that there was insufficient evidence to establish the

DARJEELING mark as generic, the TTAB observed as under:

- The test for determining whether a mark is generic is its primary significance to the relevant public;
- The mere fact that there was no formal certification system prior to 1987 is not in itself evidence that DARJEELING has lost significance as a mark;
- The determinative question was whether the control exercised by the Tea Board was adequate;
- Mere fact of misuse is not sufficient to raise an inference that the control was not adequate especially when there was no information about the nature and extent of misuse of DARJEELING;
- Tea Board has demonstrated that control was in fact maintained and it took affirmative steps to introduce the certification program in 1987 and instituted increasingly tighter control by introducing revised certification schemes from time to time in response to changing needs and circumstances;
- The survey evidence, dictionary definitions, media usage etc. all fail to show that Darjeeling has a generic meaning – in fact not a single instance of use of Darjeeling in a lower case ‘D’ was shown which may signify use in the manner of a generic designation.

The TTAB also held that the current certification scheme constitutes “adequate control” and regarded Tea Board’s ongoing efforts to educate the public (e.g., by attending trade shows and distributing literature on Darjeeling tea) as further evidence of the Tea Board’s overall system of controlling consumer understanding.

To support its likelihood of confusion argument, the Tea Board argued since under US law, a certification mark owner is at par with a trademark owner, ROT as an authorized seller of genuine

DARJEELING tea should not be permitted to name its product DARJEELING NOUVEAU. ROT argued that purchasers of its goods would not be confused as its product consisted entirely of Darjeeling tea and genuineness of the product has to be a relevant consideration. It accordingly offered to amend its specification of goods to ‘tea entirely from the Darjeeling region of India’.

Rejecting the above argument, the TTAB held that the fact that a user’s products may be genuine is not a defense to a likelihood of confusion claim instead it serves to enhance an association with the certification mark owner. ROT’s offer to amend its specification of goods was made in an effort to overcome the likelihood of confusion and because such amendment cannot overcome the likelihood of confusion, it does not merit consideration.

The TTAB concluded that confusion was likely on the grounds that:

- DARJEELING is an inherently distinctive and a strong certification mark for reasons including that Darjeeling tea has been sold in the Unites States for the past 50 years; it is recognized by those in the trade and tea aficionados as a geographical indication; Darjeeling has no meaning apart from its geographical meaning and it is defined in a number of dictionaries as a place known for tea from that region;
- The DARJEELING word mark and the DARJEELING NOUVEAU mark when considered in entirety are similar in sound, appearance, meaning and overall commercial impression and the disclaimer of DARJEELING from ROT’s mark does not detract from the otherwise strong similarity between the marks; and
- The marks were used on identical goods, the channels of trade as well as the purchasers for such goods were identical.

Since it decided the issue of likelihood of confusion in Tea Board’s favour, the

TTAB did not deem it necessary to consider the issue of dilution of the DARJEELING marks.

CASE LAW UPDATE

Procedure only a handmaid and not the mistress in the administration of justice – Bombay High Court

Sardar Gurudas Singh Bedi v. Union of India Others (unreported – decided on April 27, 2006)

The new trade marks law in India, namely the Trade Marks Act, 1999 came into effect on September 15, 2003 by replacing the old Trade and Merchandise Marks Act, 1958. The Trade Mark Rules 2002 containing the enabling provisions for the Act also came into effect on the same date.

While the new law ushered in several new developments such as registrability of service marks and shape of goods, the trademark practitioners were not so happy with some of the procedural rules and practices under the new law. One such procedural rule, namely Rule 47(6) of the Trade Marks Rules 2002 was challenged as ultra vires the relevant section, namely, section 21 (1) of the Trade Marks Act, 1999 by a trademark owner through a writ petition before the High Court of Mumbai in this case. In its order, the High Court of Mumbai held that Rule 47(6) of the Trade Mark Rules 2002 is ultra vires of Section 21(1) of Trade Marks Act, 1999 and that it would have to be struck down as null and void.

The relevant Section and Rule relate to the extension of time for filing a notice of opposition. Section 21(1) of the Trade Marks Act, 1999 reads as follows:

“Any person may, within three months from the date of the advertisement or re-advertisement of an application for registration or within such further period, not exceeding one month in the aggregate, as the Registrar, on application made to him in the prescribed manner and on payment of the prescribed fee, allows, give notice in writing in the prescribed matter to the Registrar, of opposition to the registration.

Rule 47(6) of Trade Mark Rules 2002 reads as follows:

“An application for extension of the period within which a notice of opposition to registration of a trademark may be given under sub section (1) of section 21, shall be made in Form TM-44 accompanied by the fee prescribed in the First Schedule before the expiry of the period of three months under subsection (1) of Section 21”

The facts of the case are that, the writ petitioner, who claims to be the owner of the trademark VOLGA in respect of confectionary items came across the trademark “VOLGA ICE CREAM” advertised in the trademark journal. The stipulated time period of three months to file an opposition in the matter ended on 1.1.2006 and the extension request under Form TM-44 referred to in Rule 47(6) for seeking an extension of time by one further month was filed on 6.1.2006. The trademark office refused to accept the extension request on the ground that it was time barred since it was not filed within the first three months and this refusal led to the filing of the writ.

From a reading of Section 21, it is clear that the section nowhere sets out that the application for extension of time (in Form TM-44) has to be made before the expiry of the period of three months for filing opposition to the registration. Hence, the issue that fell for consideration was whether Rule 47(6) is ultra vires of Section 21 of the Trade Marks Act, 1999.

While striking down the Rule as null and void, the court observed the following:

- The Rule as framed does not confer any discretion on the Registrar to accept objections filed after the three months period.
- Procedural law is meant to advance the cause of justice and that one must remember that procedural law is not to be tyrant but a servant to justice.
- A rule cannot travel beyond the scope of the parent Act and in matters of procedural law, courts

should normally read the provisions as directory and the Rule should serve the object of the Act.

- The object of an opposition is to maintain the purity of the Register and the Rule as framed now would mean that only a class of persons who had knowledge or were vigilant of the publications before the expiry of the period of three months can alone apply for extension. The other class of persons whose attention is drawn after the expiry of the three months, even by a day or though aware for reasons beyond their control, will be barred from filing their opposition, however sufficient their cause.
- A similar rule in the old law was subsequently omitted by a notification and the respondents have not given an explanation as to how they framed a rule similar in language to a rule which was omitted.
- Having read the language of the Section, it is clear that the period of one month in aggregate will have to be read to mean aggregate of one month even on the expiry of the period of three months.
- If the Rule has to be accepted as it stands, then it confers power to extend time only if the application is made before the expiry of the period of three months; such a rule will be clearly ultra vires of Section 21 (1) of the Act.

Common dictionary words used in a particular sequence can acquire secondary meaning to form a trademark



Association for Investment Management and Research v. ICFAI [2006 (2) CTMR 63 (IPAB)]

It is common adage that the wheels of justice move slowly. But that these *do* move surely and certainly was once again brought home by an order passed by the High Court

of Delhi on August 4, 2006 allowing an application for interim injunction in a suit filed by an American plaintiff in 1997 and restraining the local defendant from using the plaintiff's marks pending hearing and disposal of the main suit.

The plaintiff in this case claimed that:

- It is a non-profit educational institution based in the United States conducting examinations for investment professionals, awarding a charter namely the “CHARTERED FINANCIAL ANALYST” or ‘CFA’ and setting and sustaining high standards of professional conduct.
- “CHARTERED FINANCIAL ANALYST” and ‘CFA’ are the trademarks of the plaintiffs since 1963 and the plaintiffs had filed applications in India at the time of filing the suit.
- The right to use the plaintiff's marks is granted to those investment professionals who have earned and continue to meet their requirements of a CFA charter.
- A series of three rigorous examinations is administered by the plaintiffs to candidates aspiring to become a CFA charter holder. In addition to qualifying in these examinations, the candidates are required to adhere, throughout their career, to most stringent professional standards in the investment industry and must attest to such adherence in writing each year or have their right to use these charters revoked.
- The plaintiff had a license arrangement during 1985-1996 with the defendant, the Institute of Chartered Financial Analysts of India, Hyderabad (ICFAI) for offering the above mentioned charters to eligible candidates in India.
- Prior to the licensing arrangement, ICFAI was called ‘Institute of Certified Financial Analysts of India’ and it is an admitted fact in a publication sponsored by ICFAI

that the very birth of the defendant was inspired by the plaintiff institution.

- Because of the differences between the parties and despite all efforts to resolve the same, the plaintiff was constrained to terminate the license agreement in 1997 and filed the suit before the High Court of Delhi in the same year.

In defense, the defendants claimed that:

- The marks in question are descriptive and generic terms and have not acquired any secondary meaning. The marks consisted of three dictionary words of commonly understood meanings and thus incapable of trademark protection.
- They have been using these marks since 1985 and have a well-established educational program throughout India using the CFA designation
- There was no license agreement between the parties but only certain minuted discussions regarding assistance and encouragement by the plaintiff in helping the defendants develop its programs in India.
- The plaintiff has acquiesced in the user of these acronyms by the defendant and is thus estopped from seeking any injunction against the defendants.

Allowing the interim injunction application, the High Court of Delhi held, *inter alia*, as follows:

- That the ratio of the Supreme Court of India to the effect that descriptive words are entitled to protection as trademarks in the context of the

trademark 'Super Cup' to market tea represents the opinion of the Indian courts. There are several instances where commonly used words put in a particular sequence get a distinctive meaning or identity. 'Indian Airlines' for example may mean airlines operating from India but all airlines operating from India cannot describe themselves as Indian Airlines. Thus it is clear that the marks CFA or Chartered Financial Analyst are distinctive marks and even though the words 'Chartered', 'Financial' and 'Analyst' are three generic and descriptive terms, their use in the given sequence and on account of their use for a long time, have acquired a secondary meaning and have become a trade mark entitled to protection.

- That so long as the defendants worked under a license from the plaintiffs, there is no question of any acquiescence. Acquiescence starts only when the license is revoked and the unauthorized continuance of the mark continues. The license being revoked in 1997, acquiescence would start only in 1997. However, the suit was filed in 1997 and, therefore, the theory of acquiescence cannot be invoked.

K&S IN THE NEWS

Presentations and Conferences

- **Priya Rao** made a presentation on "Overview of the law of copyright and its management" at the "Patent and IPR Awareness Workshop" conducted by Technology, Information and Forecasting Council (TIFAC) held at Khandwa, Madhya Pradesh on July 13, 2006.
- **Vivek Dhokalia** made two presentations on "Copyright law

for Technologists" and "Overview of Trade Mark Law" at the National Seminar held at the National Technical Teachers Training and Research Institute, Chandigarh on July 28 and 29, 2006.

- **Latha R Nair** made a presentation on "WTO and the implications for Indian Food Industry" at a seminar organized by the Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India, on August 4, 2006.
- **Rajendra Kumar** was elected as a member of the MARQUES Geographical Indications team. 'MARQUES' is the Association of European Trade Mark Owners which is concerned with the professional development of brand owners in the protection and exploitation of their trademarks with a global economy. MARQUES Geographical Indications team monitors and influences legislative and other developments in the area of geographical indications and designations of origin. Mr. Kumar also attended the MARQUES conference on "Sponsoring: Marketing Opportunities and Challenges for Brand Owners" held in Malta during September 13-15, 2006.
- **Vivek Dhokalia** was a key note speaker on "IP Agreements and enforcement of IPRs in India" as well as a co-panelist at an interactive session on "Public Forum on Private Rights and Public interests in the IPR arena" at IIT Gauhati on September 16-17, 2006.

K&S turns Another Year older

The 12th birthday of K&S Partners was celebrated on September 21, 2006.

Phones: 91-11-2955 1801, 2955 1187, 2955 1621, 2955 1955, 2955 1182

Fax: 91-11-2955 2077, 2955 1889

E-mail: postmaster@knspartners.com Website: www.knspartners.com

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