



IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

NOTICE OF MOTION NO. 1059 OF 2015

IN

SUIT NO. 568 OF 2015

Sapat International Pvt.Ltd.

...Plaintiff

vs.

Girnar Food and Beverages Pvt.Ltd.

...Defendant

Dr.Veerendra Tulzapurkar, Senior Counsel, Mr.Virag Tulzapurkar, Senior Counsel, Mr.Venkatesh Dhond, Senior Counsel with Ashutosh Kane, Akshata Kamath, Nikhil Sharma, and Janaki Bhide i/b. W.S. Kane & Co. for Plaintiff.

Mr.Feroze Andhyarujina, Senior Counsel with Manoj Menda with Darius Dalal and Dipti Vora i/b. Jehangir Gulabbhai Billimoria & Daruwalla for Defendant.

CORAM : S.C. GUPTE, J.

6 JANUARY 2016


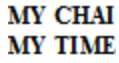
P.C. :

This is a trade mark infringement suit in respect of the Plaintiff's registered trade mark 'chaitime' bearing registration no.1631080 in class 30 for the goods, namely, confectionery, salt, vinegar, sauces (condiments), and tea, coffee, artificial coffee, cocoa, sugar, pastry.

2 The Plaintiff claims to be one of the oldest and most reputed Indian companies in the business of manufacturing, marketing and distributing tea and like goods. The Plaintiff claims to an integral part of a group of companies, known as Sapat Group of companies, founded in the year 1897. Sapat Group of companies has been in the business of production of tea since the year 1905 and claims to be amongst the top ten companies in the business of manufacturing,

packaging and marketing tea and like goods. It is the Plaintiff's case that on or about 1 November 2004, the Plaintiff invented the trade mark **chaitime** being a unique combination of the devnagri word 'chai' written in English script and the English word 'time', both words written together and in lower case, for use upon its tea and like goods. The Plaintiff claims to be using this mark since 1 November 2004. On the basis of adoption of this mark and its use since 1 November 2004, the Plaintiff applied for registration in class 30 for the goods described above. The Plaintiff was granted registration of the mark under a certificate dated 2 July 2012 with registration date of 14 December 2007. The registration certificate mentions the trade mark type as device, whilst the word mark is described as "chaitime (device of two colour letter)". The trade mark displayed on the certificate shows the word 'chaitime' written in a particular font and in combination of two colours with upper half of the mark shown in green and lower in brown colour. It is the Plaintiff's case that the Plaintiff has been openly, continuously and extensively using the said trade mark in respect of goods covered by it for the past many years, and that the trade mark has accordingly acquired distinctiveness and secondary meaning and has come to be associated exclusively with the goods originating from the Plaintiff. The Plaintiff has produced a certificate of its Chartered Accountant showing the extent of its user as well as advertisement expenses in respect of the trade mark since the Financial Year 2006-07. The grievance of the Plaintiff in the suit is that in or about 3rd week of December 2014, the Plaintiff learnt about the Defendant's use of the trade mark depicted as follows :



The Plaintiff has relied on copies of the Defendant's newspaper advertisements and publicity material as also photographs of the Defendant's roadside hoardings. Based on this user of the Defendant, the Plaintiff issued a cease and desist notice. The Defendant, in its reply, indicated its refusal to desist from the use of the mark objected to by the Plaintiff. In these facts, the Plaintiff has approached this court for a permanent injunction restraining the Defendant from infringing the Plaintiff's trade mark 'chaitime' bearing registration no.1631080 in class 30 by using the impugned trade mark  or  and/or any other trade mark containing the words CHAI TIME or any other trade mark deceptively similar to the Plaintiff's trade mark 'chaitime'.

3 In its reply, the Defendant has broadly raised the following objections to the Plaintiff's application:

(i) Firstly, it is alleged that the Plaintiff had obtained the registration of its trade mark 'chaitime' fraudulently.

(ii) Secondly, it is submitted that the trade mark 'chaitime' is a wholly descriptive word in a combination of 'tea' or 'chai', as the word is known in Hindi, and 'time' which, as a matter of fact, is equivalent to the use of the words 'tea' and 'time' in a combination. Various instances have been referred to by the Defendant to show that these words are extensively used by various magazines and tea producers in a combination in respect of their products or their sites.

(iii) Thirdly, it is submitted that the Plaintiff has, at a later point of time and since the last many years, stopped using the trade mark 'chaitime'.

(iv) Fourthly, it is submitted that the Defendant has applied for rectification of the Plaintiff's trade mark 'chaitime' in class 30.

(v) Fifthly, it is also submitted that the Plaintiff has come to this court with its infringement suit after much delay and that this delay dis-entitles the Plaintiff from claiming any temporary injunction.

(vi) Lastly, it is submitted that the Defendant has adopted and has been using the words 'MY CHAI MY TIME' honestly and bona fide and that the words are distinct from the expression 'chaitime'.

4 Before I deal with the Plaintiff's application on merits and in the light of different objections of the Defendant, outlined above, I must make it clear that though the Plaintiff has referred to in the plaint to registrations of other trade marks such as 'SAPAT CHAI TIME' and 'CHAITIME.COM', the infringement suit and the injunction application are merely on the basis of the Plaintiff's trade mark 'chaitime' bearing registration No.1631080 in class 30 in respect of the goods referred to above.

5 I must begin by noting that what stares the Defendant in the face in the present case is the Plaintiff's registration of its trade mark 'chaitime' in class

30 in respect of similar goods. Once the plaintiff is shown to be a registered proprietor of a trade mark, whether the trade mark is descriptive and therefore, not entitled, in the first place, to be registered or whether the Plaintiff has stopped using the trade mark at any later point of time, is completely immaterial. These are matters which bear on the validity of the Plaintiff's registration and may afford grounds for striking off the Plaintiff's mark. But these are not matters of defence to an infringement action at the instance of the Plaintiff. As explained by the Full Bench of our court in the case of **Lupin Ltd. Vs. Johnson Johnson**¹, a registered proprietor of a trade mark would ordinarily be entitled to a finding of a civil court in its favour on the basis that the trade mark registered in its name is *prima facie* valid. Though the court is not barred for considering the plea of the defendant regarding invalidity of the plaintiff's registration at the interlocutory stage, such plea can only be on the footing that the registration in the plaintiff's favour is so fraudulent or is so apparently invalid that the court should not grant an injunction in favour of the plaintiff. This would indeed be a very heavy burden. In other words, though it is open to the court to consider the plea referred to above in the context of the plaintiff's application for injunction, a strong presumption in law arises in favour of the plaintiff of the validity of his registration at the interlocutory stage and a very heavy burden is cast on the defendant to rebut this presumption by impugning its validity. Absent any case of fraud or *ex facie* illegality of the registration which shocks the conscience of the Court, the presumption cannot be rebutted by the defendant. This is indeed a small window, through which alone the defendant's plea regarding invalidity of the plaintiff's registration can come in at an interlocutory stage.

1 2015 (61) PTC 1 [Bom]{FB}

6 In the light of this law, the allegations of the Defendant in support of its case of fraud may firstly be considered. The basis of the plea of fraudulent registration may be outlined as follows :

(i) The Defendant submits that the Plaintiff has indicated different dates in its different applications for the commencement by it of the use of the word 'chaitime';

(ii) It is submitted that a particular application of the Plaintiff earlier in point of time in respect of the mark 'chaitime' was refused, whilst in yet another application earlier the Plaintiff was made give a disclaimer in respect of the words 'chai time', and that these particular facts were not disclosed by the Plaintiff in its application for the subject registration bearing No.16341080;

(iii) The Plaintiff has not produced any evidence in respect of adoption or use of the trademark since 1 November 2004;

(iv) The Plaintiff has discontinued the use of the trade mark 'chaitime' from the year 2008 or 2009;

(v) The particulars of annual turnover and advertisement expenses in respect of the trade mark 'chaitime' submitted by the Plaintiff are doctored or fabricated.

7 If one has regard to the applications referred to by the Defendant in connection with the alleged different dates claimed for user, it is to be seen that all these applications relate to different trade marks and the alleged users from different dates are claimed in respect of these different trade marks. The application for registration under No.1417785 was in respect of the trade mark 'Sapat Chai Time' in class 30, whereas application in Registration No.1417789 was in respect of 'Sapat Chai Time' In class 42. Registration Nos.1662795, 1662797 and 1662796 are for 'CHAITIME.COM' respectively in classes 9, 35 and 42. As far as the registered trademark 'chaitime' under registration no.1631080 in class 30 is concerned, there is a consistent case of the Plaintiff that it has used this trademark since 1 November 2004. The Plaintiff has adequately explained in its affidavit dated 24 September 2015 that the user claimed since 1991 in respect of the trade mark 'chaitime' in the Plaintiff's reply to the examination report for the subject trade mark, was by way of a genuine and bona fide error on the part of the Plaintiff's erstwhile trademark attorney. The Plaintiff has reiterated that it has used the trademark 'chaitime' since 1 November 2004. In the premises, there is no substance in the allegation that by reason of having claimed different dates in respect of user of the trade mark at different times, the Plaintiff has misled the registry deliberately and has obtained its registration fraudulently. Even as regards the alleged non-disclosure of the rejection of an earlier application and a disclaimer in respect of yet another earlier application, it cannot be suggested that merely because these facts were not disclosed by the Plaintiff to the registry, the Plaintiff has practiced a fraud on the registry or has obtained registration fraudulently. As far as user since 1 November 2004 is concerned, there is adequate material on record to support the Plaintiff's case of such user and it

cannot possibly be suggested that at this interlocutory stage that this Court already has adequate material before it to come to a conclusion that there is any fraud practised by the Plaintiff by misleading the Registry or suppressing any material fact. So also, the alleged discontinuation by the Plaintiff of the use of its mark 'chaitime' is neither here nor there. As far as the plea of fraud is concerned, we are concerned with the facts as they existed at the time of the application for registration and before the application is allowed. Any discontinuation of user after the registration is neither here or there. There is, of course, no *prima facie* case on record to show that the Plaintiff has at any time actually discontinued the user of its trade mark 'chaitime'.

8 Learned Counsel for the Defendant has relied on several cases in support of his contention that descriptive words are not capable of being registered. He relied upon a case of **Matthew Ashers Onyango vs. Kenya Oil Company**², a case from Kenya, where the High Court at Nairobi rejected a registered proprietor's application for injunction against a rival trader using the registered trade mark of the plaintiff "proudly Kenyan". The Court held that what the applicant was seeking to protect is neither trade or goodwill associated with him but common words available to all Kenyans. The court observed that in essence, the law cannot be used to pre-empt the use of a common word where no imagination was crafted into it by a claimant. The plaintiff cannot have, ruled the Court, a better right than all other Kenyans because he has chosen to employ the word "proudly Kenyan" as his trademark. The Court graphically put the matter thus : "Let me say that the use of descriptive expressions or slogans in general

2 Case ID : No.377 of 2007 decided on 31.10.2007

use like “proudly Kenyan” cannot entitle the plaintiff to a relief of injunction simply because he has in his possession a registration document issued by a sleeping public officer who is not conscious of the legal consequences of allowing such registration.” These words are indeed well said and reflect a correct legal principle. But then the words 'proudly Kenyan' are obviously incapable of being registered as a trademark. This is clearly a case of inherent incapability of registration of the trademark. Such is not the case with the mark 'chaitime'. It is possible to argue at the time of registration of a trademark or in a rectification application in respect of a trademark already registered that the word or words being descriptive ought not be registered or ought to be struck off from the register. One may indeed argue that in the case of a trademark such as 'chaitime'. But this is far from saying that word is so inherently incapable of being registered that it, by its very nature, makes the invalidity of the registration apparent. The other cases, relied upon by the of Defendant, namely, the cases of **Pidilite Industries Ltd. vs. Vilas Nemichand Jain**³ and **Asian Paints Ltd. vs. Home Solutions Ratail (India) Ltd.**⁴, are cases of a passing off action, where the plaintiffs were claiming words of common use such as 'Leakguard' and 'Home Solutions' as distinctive of their goods or services. These words rather described the nature of goods or services and were clearly inherently incapable of being registered. The cases of **Nestle's Products (India) Ltd. vs. P. Thankaraja**⁵, **The Anglo Thai Corporation Ltd. vs. Mahendra Kumar Maneklal Shah**⁶ and **Hindustan Unilever Ltd. vs. Girnar Exports**⁷ were in respect of trade marks, for

3 2015 (64) PTC 185 [Bom]

4 2007(35) PTC 697 (Bom.)


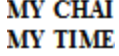
5 AIR 1978 Madras 336

6 Misc.Petition No.395-1972


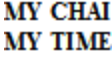
7 2012 (51) PTC 376 (IPAB)

which registrations were applied. At the stage of registration, the registry is bound to consider whether, having regard to the descriptive nature of the words or expressions forming part of the trademarks or by reason of the words having been *publici juris*, the registration ought not to be granted. This is different from the argument of inherent incapability suggested by the Defendant. Besides, even if the trade mark 'chaitime' is said to be registered in favour of the Plaintiff in breach of sub-section (1) of Section 9 of the Trade Marks Act, 1999, it cannot be declared invalid, if, in consequence of the use which the Plaintiff has made of it since, it has after registration and before commencement of any legal proceedings challenging the validity of such registration, acquired a distinctive character in relation to the goods or services for which it is registered. That is the plain effect of Section 32 of the Trade Marks Act, 1999. It is indeed the Plaintiff's case in the present suit that the trade mark has been extensively used by the Plaintiff after its registration and as a result, has acquired of a distinctive character in relation to the goods or services for which it is registered. This aspect not only bears consideration when the Defendant's application for rectification is heard by the appeal court, but also assumes importance in the context of the present application. As I have noted above, *prima facie* there is a case of the mark having acquired a distinctive character in relation to the Plaintiff's goods vis-a-vis those of others.

9 Now coming to the aspect of deceptive similarity, it is important to note that the Defendant is not using its proposed trade mark or words forming it, namely, MY CHAI MY TIME, written as a continuation of four words used therein. The words so written or the trade mark so depicted may not appear to be

deceptively similar to the Plaintiff's registered trade mark 'chaitime'. The words 'chai' and 'time' appearing in the trade mark 'chaitime' obviously cannot separately be claimed monopoly in by the Plaintiff. For that matter, the Plaintiff cannot per se object to the use of the words 'chai' and 'time' as part of someone else's mark. But what is objectionable here is the Defendant's use of the words 'chai' and 'time' in its impugned trade mark  or  in its peculiar presentation. The words 'Chai' and 'Time' are so placed as to invoke an association with the Plaintiff's mark 'chaitime'. We are not concerned whether that was the intent. What is important is that such is its effect. In an application for infringement where there is similarity of an offending mark or similarity of goods or services covered by the registered trade mark, what we have to see is whether there is any likelihood of confusion on the part of the public or likelihood of an association with the registered trade mark. One has to go by the test of similarity from different stand points, namely, phonetic, structural or ocular. The offending marks, going by the way they have been structured, are clearly likely to cause confusion on the part of the public as to the origin of the goods. The offending marks are very much likely to invoke an association with the Plaintiff's registered trade mark and make people believe that the goods in connection therewith originate from the Plaintiff. The impugned trademarks sought to be used by the Defendant, by reason of the structural element of the words 'chai' and 'time' being placed thus in juxtaposition with each other, does appear to offend the mandate of Section 29.

10 Accordingly, there is a case for grant of a temporary injunction. Hence, the following order is passed :

(i) Pending the hearing and final disposal of the suit, the Defendant by itself, its directors, servants, agents, stockists, distributors, dealers and all persons claiming through it, are restrained by a temporary order and injunction from infringing the Plaintiff's registered trademark 'chaitime' bearing 1631080 in class 30 by using the impugned marks  or  and/or any other trademark which contains the words 'chaitime' or 'chai' and 'time' following each other or in close juxtaposition;

(ii) The injunction order granted in the notice of motion shall operate till the disposal of the rectification application of the Defendant;

(iii) Pending the final disposal of rectification proceedings filed by the Defendant in respect of the Plaintiff's trade mark 'chaitime', further proceedings in the suit shall be stayed;

(iv) The Plaintiff shall be entitled to renew its application for temporary injunction if the rectification application is decided in its favour;

(v) The notice of motion is disposed of accordingly;

(vi) The application for stay of this order is refused.

(S.C. Gupte, J.)