

(2006) 11 DEL CK 0004

In the Delhi High Court

Case No : IA No. 1758 of 2004 in Suit No. 260 of 2004 and is No. 2798 of 2004
in Suit No. 456 of 2004

Sona Spices Pvt. Ltd.

APPELLANT

Vs

Soongachi Tea Industries Pvt. Ltd.
 Soongachi Tea
Industries Pvt. Ltd. Vs Sona Spices Pvt. Ltd.

RESPONDENT

Date of Decision : 01-11-2006

Acts Referred:

Citation : (2007) 34 PTC 91

Hon'ble Judges : Madan B. Lokur, J

Bench : Single Bench

Advocate : S.K. Bansal, for the Appellant; Hemant Singh, for the Respondent

Judgement

Madan B. Lokur, J.—The plaintiff (Sona Spices Pvt. Ltd.) has filed a suit against M/s Soongachi Tea Industries Pvt. Ltd. in which a prayer has been made for a permanent injunction restraining the Defendant from using the trademark "Sona" or the "Sona" logo or any other similar trademark or trade name so as not to infringe the plaintiff's trademark registration No.367241. In this suit, the plaintiff has filed is No.1758/2004 in which an ad interim injunction to the same effect has been prayed for.

2. Suit No.456 of 2004 has been filed by M/s Soongachi Tea Industries Pvt. Ltd. against Sona Spices Pvt. Ltd. in which it is prayed that the defendant therein be restrained by a permanent injunction from using the trademark "Sona" in respect of tea or any other beverage so as not to infringe the trademark of the plaintiff therein being registered trademark No.407039. An interim application being is No.2798/2004 has been filed effectively praying for the same relief but at an interim stage.

3. For convenience, M/s Sona Spices Pvt. Ltd. is hereinafter referred to as the plaintiff while M/s Soongachi Tea Industries Pvt. Ltd. is hereinafter referred to as the Defendant.

4. According to the plaintiff, it manufactures spices under its trade name and trademark "Sona" which was duly registered on 7th October, 1980 under trademark registration No.367241. This trademark is in respect of spices falling in Class 30 of the Fourth Schedule of the Trade and Merchandise Marks Act, 1959.

5. The plaintiff states that it has been using the trademark "Sona" since some time in 1975 and it has been selling spices under this trademark in Jammu and Kashmir, Punjab, Haryana, Himachal Pradesh, Rajasthan, Uttar Pradesh, Delhi and Chandigarh.

6. Some time in 1993, the plaintiff expanded its business activities to various other items including tea. Some time in February, 1995, the plaintiff moved an application bearing No.654828 for registering the trademark "Sona" in respect of tea and other items falling under Class 30.

7. The plaintiff says that it was surprised to receive a notice dated 3rd February, 2004 from the Defendant in which it was alleged that the plaintiff is violating the trademark of the Defendant in respect of Sona tea manufactured by the Defendant. Under these circumstances, the plaintiff filed the present suit to protect its business interests and its trademark from being infringed by the Defendant.

8. The Defendant has filed a written statement (and also filed a suit as mentioned above) in which it is stated that it has been manufacturing and marketing Sona tea since some time in 1978-79 and in the very first year of production, its annual sales exceeded Rs.1 crore and today, its annual sales amount to above Rs.12 crores. On 23rd June, 1983, the trademark of the Defendant in respect of Sona tea was registered under No.407039 and since the Defendant has been using the trademark Sona tea for several years, and even prior to the plaintiff, its business interests should be protected vis-a-vis the plaintiff.

9. For the purposes of these applications, the broad facts that have been stated by the parties are not in dispute. It is not in dispute that the plaintiff has been manufacturing and selling Sona spices for a considerable period of time and has in fact got a trademark registered in the name of "Sona" for spices since 7th October, 1980. It is also not in dispute that the plaintiff started manufacturing and selling tea under its trademark "Sona" some time in 1993. The quantum of sales that are effected by the plaintiff has not been stated but they are certainly not anywhere in the region of the annual sales of the Defendant, who has a registered trademark in respect of "Sona" for tea since 23rd June, 1983 about 10 years earlier.

10. According to learned Counsel for the plaintiff, since the plaintiff is a prior user of the trademark or trade name "Sona", having commenced its business some time in 1975, the Defendant cannot pass off its tea as that of the plaintiff nor can the Defendant infringe the trademark of the plaintiff. Several decisions have been relied upon to contend that the plaintiff is entitled to use the trademark "Sona"

in respect of allied and cognate goods and that use of the trademark "Sona" by the plaintiff cannot be limited only to spices nor can its use be excluded in respect of tea.

11. On the other hand, learned Counsel for the Defendant has contended that it has been using "Sona" in respect of tea manufactured by it since 1978-79 and it has huge sales in this regard. As such, the Defendant has a prior right to use the trade name "Sona" in respect of tea and even if it does not (assuming the plaintiff is a prior user since 1975), the fact that the plaintiff has raised no objection to the Defendant using the trade name "Sona" in respect of tea manufactured and sold by it precludes the plaintiff from raising any objection at this late stage, particularly after a lapse of more than 20 years.

12. Having heard learned Counsel for the parties, I am not inclined to grant any temporary injunction in favor of the plaintiff while I am inclined to grant a temporary injunction in favor of the Defendant.

13. I am not satisfied that the plaintiff has made out a prima facie case for interference. Even though the plaintiff may be entitled to say that its use of the trademark "Sona" can extend beyond spices to other cognate and allied goods such as tea, the fact remains that the plaintiff has not utilized this trademark for the manufacture of tea prior to 1993 as per its own averment. On the other hand, the Defendant has been manufacturing and marketing Sona tea since some time in 1978-79 and in any case since it got the "Sona" trademark registered on 23rd June, 1983, which is a good ten years before the user of the trade name "Sona" in respect of tea by the plaintiff. Despite this, the plaintiff has taken absolutely no steps to protect its interests in respect of the trademark "Sona" in regard to the manufacture and sale of tea.

14. Another reason why I am of the view that the plaintiff has not been able to make out a prima facie case for the grant of an interim injunction is that the sale figures projected by the plaintiff are quite insubstantial in comparison to the sale figures of the Defendant in respect of Sona tea. According to the Defendant, it has now reached a sale figure of Rs.12 crores per annum and this averment has not been denied by the plaintiff. The plaintiff does not claim to have such substantial sales of Sona tea.

15. For the above reasons, I am of the view that the plaintiff has not made out any prima facie case for interference while the Defendant has made out a prima facie case for the grant of an interim injunction as prayed for.

16. In so far as the question of irreparable harm and injury is concerned, the primary business of the plaintiff appears to be in the sale of spices. It has not made any massive sales of Sona tea. On the other hand, the Defendant has a well established business in the manufacture and sale of Sona tea which has been continuing for more than 20 years, if not close to about 30 years. If the Defendant is now restrained from carrying on its business, it will, quite naturally, cause irreparable harm and damage to the Defendant. On the other hand, the

loss of business in respect of Sona tea will not dent the business activities of the plaintiff.

17. For the above reasons, I am of the view that the plaintiff has not made out any case of irreparable harm and injury to it if an injunction is not granted in its favor while the Defendant has so made out a case.

18. It may be noted that it is not as if the Defendant is trying to pass off its goods as those of the plaintiff. The Defendant is an independent manufacturer of tea and is an established player in the market. There is nothing to suggest, at least so far, that any person has been misled into believing that the tea sold by the Defendant is actually being passed off as the tea manufactured by the plaintiff. Indeed, from the facts presented before me, it appears that such an eventuality is quite unlikely. The plaintiff has a limited territorial market even in respect of spices and there is nothing to suggest that tea manufactured by the plaintiff is well recognized even within the existing market of the plaintiff. Therefore, the question of any consumer being misled into believing that tea manufactured by the Defendant is actually being passed off as tea manufactured by the plaintiff would not arise, particularly in the absence of any evidence in this regard.

19. In so far as the question of balance of convenience is concerned, I am of the view that even assuming the plaintiff has some prior right over the use of the trademark "Sona" in respect of tea, the fact that the plaintiff has not exercised its right for several years completely disentitles it to the grant of any interim relief. Of course, this does not mean that the plaintiff may not succeed in the event it is able to prove its case after leading evidence but until then, there does not appear to be any cogent reason to grant any interim injunction in favor of the plaintiff and against the Defendant while the converse appears to be more reasonable.

20. It was submitted that even the Defendant has woken up after ten years to the fact that the plaintiff was selling Sona tea and, Therefore, the balance of convenience does not lie in favor of the prayer of the Defendant being granted. Of course, there can be no absolute standard for determining the balance of convenience but the facts of the case do suggest, prima facie, that given the relatively smaller turnover of the plaintiff in respect of the sale of Sona tea and the limited territory, it is quite possible that the Defendant came to know about the sale of Sona tea by the plaintiff only in 2003-2004 and it immediately sent a notice to the plaintiff on 3rd February, 2004 Therefore, on the one hand, there is a situation where the Defendant came to know, though a little late, that its trademark was being infringed and it took immediate action in that regard and, on the other hand, there is a situation where the plaintiff did not even know that its trademark was being infringed. That being the position, it would be more appropriate, I think, to conclude that the balance of convenience would lie in favor of the prayer of the Defendant being granted rather than that of the plaintiff.

21. Under the circumstances, while dismissing is No.1758/2004 filed by the plaintiff, I would allow is No.2798/2004 filed by the Defendant and restrain the plaintiff from marketing tea under the trade name "Sona" until the decision of both the suits.

22. It is made clear that any observation made in this order will not bind any of the parties during the trial of the suit.

23. Both the interim applications are disposed of in terms of the above. No costs.