

(2008) 09 DEL CK 0156

In the Delhi High Court

Case No : FAO (OS) No's. 753 and 754 of 2006

Sona Spices Pvt. Ltd.

APPELLANT

Vs

Soongachi Tea Industries Pvt. Ltd.

RESPONDENT

Date of Decision : 01-09-2008

Acts Referred:

Citation : (2010) 42 PTC 718

Hon'ble Judges : A.P. Shah, C.J;Dr. S. Muralidhar, J

Bench : Division Bench

Advocate : S.K. Bansal and Pankaj Kumar, for the Appellant; Hemant Singh, Saching Gupta and Pallavi Singh, for the Respondent

Final Decision : Dismissed

Judgement

1. With the consent of the parties, these appeals are taken up for final hearing.
2. These appeals are directed against the impugned judgment dated 1st November 2006 passed by the learned Single Judge of this Court dismissing I.A. No. 1758 of 2004 filed by the Appellant/Plaintiff in Suit No. 260 of 2004 seeking injunction and allowing I.A. No. 2798 of 2004 filed by the Defendant in Suit No. 456 of 2004 and restraining the Plaintiff from marketing tea under the trade name "Sona" until the decision of both the Suits.
2. The Appellant/Plaintiff filed the aforementioned Suit No. 260 of 2004 stating that it manufactures spices under the trade name and trademark "Sona" which was registered in its favour on 7th October 1980. This trademark was in respect of spices falling in Class 30 of the 4th Schedule to the Trade and Merchandise Marks Rules, 1959 ("Rules"). According to the Plaintiff it had been using the trademark "Sona" since 1975 and selling spices under that mark in Jammu and Kashmir, Punjab, Haryana, Himachal Pradesh, Rajasthan, Uttar Pradesh, Delhi and Chandigarh. In 1993, the Plaintiff expanded its business activities to other products including tea. An application was filed by the Plaintiff in February 1995 for registering the trademark "Sona" in respect of tea as well.

3. According to the Plaintiff it was surprised to receive a notice dated 3rd February 2004 from the Defendants stating that they had been selling the tea under the trademark "Sona" since 1978 and that they had obtained registration of the "Sona" logo on 23rd June 1993 in respect of tea under the 1958 Act. In the notice the Defendant called upon the Plaintiff to cease and desist from using the trademark "Sona" or any other deceptive or similar trademark.

4. The case of the Defendant in Suit No. 260 of 2004, and the Plaintiff in Suit No. 456 of 2004) was that it was manufacturing and marketing tea under the trademark "Sona" since 1978-79 and its annual sales exceeded Rs. 1 crore in the very first year of production. As of 2004 its annual sales were above Rs. 12 crores. It was specifically pleaded that the use of the trademark "Sona" for tea by the Defendant was even prior to that of the Plaintiff.

5. The learned Single Judge, after examining the pleadings on record and the submissions of the parties held that "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."

6. Further the learned Single judge observed 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". Accordingly, while the Defendant was held to have made out a prima facie case from restraining the Plaintiff from using the trademark "Sona" for its tea product, it was held that the Plaintiff had not made out any prima facie case. It was observed that there was nothing to suggest that anyone had been misled into believing that the tea sold by the Defendant was actually being passed off as tea manufacturer by the Plaintiff. On the question of balance of convenience, the learned Single Judge observed as under:

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 dis-entitles 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 favour of the Plaintiff and against the Defendant while the converse appears to be more reasonable.

7. Mr. S.K. Bansal, Learned Counsel appearing for the Appellant contended that

the admitted position was that the Plaintiff had a registered trademark in its favour in relation to spices since 1980. Since spices and tea were cognate or allied products, the trademark in relation to spices should hold good for tea as well Vis-a-vis two registered trademarks, the one registered earlier in point of time have a superior right. In support of his submission that the trademark in respect of spices would hold good for other cognate and allied products he sought to place reliance upon the judgment of the Andhra Pradesh High Court in *M. Mahender Shah v. Tiruchy Flour Mills* 1997 (17) PTC 432 (AP).

8. There is no merit in the above submission for the reason that the registration certificate issued in favour of the Defendant in 1993 clearly shows it to be in respect of "tea". It is Plaintiffs own case that its registration was for spices. The registration certificate dated 7th October 1980 issued in its favour is for the mark "Sona Spices" and in respect of "Spices" for sale in some of the States. In the circumstances it is not possible to accept the contention that the trademark in respect of spices would also hold good for "tea" on the basis that these are cognate or allied products. The facts in *M. Mahender Shah* show that the Plaintiff Shah was engaged in manufacturing, sale and marketing of wheat and flour under trademark "ANNAPURNA" since 1996. He had made an application for registration of the said trademark which was pending. The Defendant Hindustan Lever Limited ("HLL") already held a registered trademark since 1994 in respect of the word "ANNAPURNA" and was using it in respect of "salt" since that date. HLL started using that trademark in regard to atta from December 1995. The Plaintiff Shah started using the trademark ANNAPURNA for his atta products since March 1995. In the facts of that case it was held that HLL would be entitled to an injunction restraining Shah, from using the trademark ANNAPURNA. One important distinguishing feature about the facts of the said case and the present one are that Shah was not the owner of a registered trademark in respect of ANNAPURNA and his application was still pending whereas HLL held a registered trade mark. This certainly weighed with the Court in granting an injunction in favour of HLL. On the other hand, in the present case the registration in respect of trade mark "Sona" has been granted in respect of tea in favour of the Defendant whereas the registration granted in favour of the Plaintiff is respect of the words "Sona Spices" and is limited to "Spices". It cannot be said therefore that both the Plaintiff and the Defendant have registered trademarks in respect of "Sona" and in respect of goods which are of cognate or allied nature.

9. It was next contended by Mr. Bansal that by their notice dated 3rd February 2004 the Defendant had sought to restrain the Plaintiff from using the trademark "Sona" in respect of all its products and had not confined it to tea and therefore, this itself amounted to an admission that "tea" was either an allied or a cognate goods of spices. A careful perusal of the notice dated 3rd February 2004 does not however bear out this submission of Learned Counsel for the Appellant. The Defendant is exclusively manufacturing tea and the injunction against the Appellant is also in respect of "tea" alone. In the absence of any express admission in the said notice dated 3rd February 2004, it is not possible to infer

the so called admission of the Defendant.

10. Learned Counsel for the Appellant next contended that there were sufficient documents on record to show that it was the Plaintiff who was the prior user of "Sona" brand notwithstanding that it was a registration in favour of the Defendant of that mark with respect to tea from 1993 onwards. On the other hand Mr. Hemant Singh, Learned Counsel for the Defendant drew our attention to at least one document pertaining to year 1978 in which the trademark which is registered in its favour has been used. While the final determination of these issues will have to await the trial, it appears to this Court that the view taken by learned Single Judge at the interlocutory stage is a plausible one.

11. Even as regards the turnover figures the observation of the learned Single Judge that the Plaintiff had been unable to show any substantial turnover in respect of tea appears to be correct. Learned Counsel for the Appellant produced before us certain figures of overall sales of its products from the year 1975-76 to 2002-03. From these figures it is not possible to discern the exact turnover in respect of tea. Since the injunction granted by the learned Single Judge in favour of the Plaintiff and against the Defendant is only in respect of tea, it is of no avail for Plaintiff to show figures of its overall sales. Therefore there is no merit in this contention as well.

12. For the aforementioned reasons, we find no infirmity in the impugned order. Nevertheless the Plaintiff is permitted in terms of this order to apply to the learned Single Judge for fixing an earlier date of hearing in the suit.

13. With the above observations, the appeals stand dismissed.