

Tempest in a teapot: the row over Darjeeling



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Calcutta High Court has dismissed an appeal by the Tea Board, India, against the refusal by a single judge of the court to grant an interlocutory injunction in its suit against ITC Limited. The Tea Board had filed the suit, based on the Trade Marks Act, 1999, and the Geographical Indications of Goods (Registration and Protection Act, 1999 (GI Act), to restrain ITC from using the name Darjeeling Lounge at its ITC Sonar hotel.

The suit also sought to restrain ITC from in any way conducting the hotel's business or marketing the hotel using any other name or mark or word which is phonetically or structurally similar or identical or deceptively similar to the registered geographical indication "Darjeeling", or from passing off or attempting to pass off its business or services so as to discredit the fame of Darjeeling tea, or misleading or confusing people as to the nature of the beverages sold at the ITC Sonar hotel by alluding to a nexus with the Darjeeling geographical indication.

Tea Board marks

The Tea Board is the registered owner of two sets of marks in connection with tea. One is the word Darjeeling and the other is a round device featuring the profile of a woman holding two leaves and a bud with the word Darjeeling spelled out on the edge running from the 9 o'clock to the 12 o'clock position. The word and device marks are independently registered as a geographical indication and as a certification trademark.

In the dispute, the Tea Board asserts exclusivity over "Darjeeling" and ITC maintains that there is more to "Darjeeling" than the tea that is grown there.

The court, with an observation on the scope of investigation in an appeal against a decision on a discretionary order such as an interim injunction, proceeded to determine whether the single judge in the facts of the present case was justified in refusing the interim relief during the pendency of the suit.

The court questioned whether by virtue of registrations under the geographical indications and trademarks acts, the Tea Board can restrain ITC from naming one of its hotel lounges the Darjeeling Lounge, noting that tea and other items which are not necessarily from Darjeeling are also served.

Sections vary

After considering the cited case law and comparing the provisions on trademarks and certification marks, the court opined that infringement of the rights conferred under section 28 of the Trade Marks Act cannot have any application when infringement of the rights conferred under section 78 of the act are alleged.

Sections 28 and 29 of the Trade Marks Act deal with rights conferred by registration and infringement of registered trademarks respectively, and sections 75 and 78 deal with infringement of certification trademarks and rights conferred by registration of certification trademarks.

The court considered section 29(5), only to observe that a corresponding provision is absent in section 75 and hence the application of section 29 to rights conferred under section 75 is unfounded. Section 29(5) says that a registered trademark is infringed by a person who uses such a trademark as a trade name or part of a trade name, or name or part of the name of a

business concern dealing in goods or services in respect of which the trademark is registered.

On the allegation of passing off, the court held that the Tea Board does not make a prima facie case. As the board is neither a trader of tea nor does it render hospitality services, it is not its case that ITC, by naming one of its lounges the Darjeeling Lounge, is trying to proclaim itself as an agent or authorized representative of the Tea Board.

Rights limited

In the geographical indications domain, the court upheld the observation of the single judge that the protection accorded to Darjeeling tea under the GI Act, which seeks to protect indications identified on account of quality or reputation or other characteristics attributable to their geographical origin, cannot be extended to any right over Darjeeling as a geographical name.

The court also found it apparent that ITC in using the word Darjeeling does not falsely assert that it has right to certify that the tea served in its lounge is grown in Darjeeling.

The court concluded the Tea Board had prima facie failed to prove violation of its registered certification trademark in terms of section 75 of the Trade Marks Act as it had not registered as holder of the mark Darjeeling in respect of the hotel business but for the purpose of certification of tea as grown in Darjeeling, and so the benefit of sections 28 and 29 of the Trade Marks Act is not available.

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