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'Red Label' held to be common to the trade
India - Nishith Desai Associates

Examination/opposition
National procedures

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In *Hindustan Unilever Limited v Girmar Exports* (TA/47/2003/TM/CH, OA/34/2004/TM/CH, January 2 2012), the Intellectual Property Appellate Board (IPAB) has dismissed four appeals against orders of the deputy registrars of Kolkata and Chennai that had denied registration of RED LABEL marks for tea.

Hindustan Unilever Ltd (HUL) is the manufacturer of the popular Brooke Bond Red Label tea. Over the years, HUL had applied for the registration of numerous variants of the mark BROOKE BOND RED LABEL; the essential feature of the mark was the element 'Brooke Bond', 'Red Label' being used as a by-line. HUL had obtained registration of some of these marks.

The four marks at issue in the present appeals all contained the essential element 'Red Label':

Description and class of goods	Date of application	Use claimed from
Label mark consisting of the words 'Red Label' in Roman and Arabic characters, and a red and yellow colour scheme (Class 30)	November 6 1982	1971
Carton bearing the words 'Red Label' with a red and yellow colour scheme (Class 30)	November 25 1982	1971
Label bearing the words 'Red Label Tea' and 'Pure Indian Tea'	November 25 1982	1971
Label bearing the words 'Red Label' and the monogram 'RL'	May 7 1986	October 1 1983

When issuing an examination report on these marks, the registrar requested disclaimers under Section 17 of the [Trademark and Merchandise Act 1958](#). With regard to the second and third marks, the registrar ordered that a disclaimer be added with respect to the use of 'Pure Indian Tea' and other descriptive words, and directed that the marks be limited to the red and yellow colour scheme. With respect to the fourth mark, a disclaimer was requested with regard to the letters 'RL' and other descriptive terms appearing on the label.

Section 17 of the act provides that, if a trademark contains any part that is not the subject of a separate application for registration or is not separately registered by the proprietor as a trademark, or contains any matter which is common to the trade or is otherwise of a non-distinctive character, the registrar or the court before which the case is pending may, as a condition of its being on the register, require that the proprietor disclaim any right to the exclusive use of such part.

After the marks were advertised, an opposition was filed by [Girmar Exports](#). The registrar concluded that the marks consisted of words and colours that are common to the trade, and that the marks were not distinctive. HUL filed an appeal against all four orders before the IPAB.

In support of its case, HUL put forward the following arguments:

- The marks are inherently distinctive or, by virtue of use and other circumstances, have acquired distinctiveness;
- A mark cannot be confused with another similar mark if such a mark is common to the trade;
- The fact that the registrar requested disclaimers did not automatically mean that the registrar was convinced that the RED LABEL mark was common to the trade;
- There was no evidence that the words 'Red Label' describe the character or quality of tea, or that 'Red Tea' is a variety of tea; and
- HUL has obtained several judicial orders against other parties for passing off, which evidenced HUL's proprietary rights over the mark.

In response, Girmar argued as follows:

- RED LABEL is descriptive.
- A registration obtained by tea manufacturer [Lipton](#) for the mark RED LABEL in 1949 contained a disclaimer with respect to the exclusive use of the words 'Red Label' or of a label of a 'red colour'.
- If a mark is proved to be common to trade, this constitutes conclusive evidence that it should be

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denied registration. To demonstrate that the mark RED LABEL is common to the trade, Girnar relied on an affidavit by Suman Kanji Seth, president of the [Bombay Tea Traders Association](#).

- Registration of a mark is not an absolute right; even a distinctive mark may be refused registration if the registrar has valid reasons to do so.

The IPAB first turned to the appreciation of evidence:

- HUL produced affidavits showing that 'Brooke Bond Red Label Tea' and 'Red Label Tea' are well known, and that it had not come across any other Red Label tea. However, the IPAB stated that these affidavits had been filed after the filing of the opposition proceedings and, therefore, were not strong evidence.
- The only proof produced by HUL with respect to use was a chartered accountant certificate showing reports of Red Label tea packets sent to Afghanistan. However, the IPAB refused to accept the certificate as evidence, since there was no accompanying affidavit by the person who had issued the certificate.
- HUL also relied on several cases, but the IPAB was not convinced of their relevance.
- Girnar relied on an affidavit filed by Suman Kanji Seth to prove that the word 'Red Label' and the red and yellow colour scheme were common to the trade. Girnar further referred to 69 exhibits showing that various brands of tea use similar or identical colour schemes. The IPAB noted that the affidavit, which stated that granting monopoly over the use of the words 'Red Label' would destroy the business of many small traders, was sufficient to conclude that the words 'Red Label' are common to the trade.
- Girnar relied on *Joseph Crosfield & Sons Ltd's Application* (1909 26 RPC 837) and urged the IPAB to maintain "the purity of the Register of Trademarks", highlighting that "it is the duty of the tribunal to ensure that no word not adapted to distinguish shall be put in the Register in the interest of other traders, wholesale and retail, and the public." Girnar also relied on several cases to prove that the mark was descriptive.

The IPAB made the following observations:

- HUL had obtained a trademark registration for the words 'Red Label' along with the words 'Brooke Bond'; the strength of the mark BROOKE BOND RED LABEL is not the same as that of the mark RED LABEL on its own. Further, both 'red' and 'label' are commonly used with other words (eg, 'Red Roses', 'Red Dust', 'Yellow Label' and 'Green Label').
- Despite the fact that disclaimers were added at the time of registration, HUL has repeatedly filed applications for marks containing the dominant element 'Red Label'.

Based on the submissions and the evidence presented by the parties, the IPAB held as follows:

- The words 'Red Label' are common to the trade;
- HUL had not proved use of the mark RED LABEL from 1971;
- The transformation of the original mark - in which 'Brooke Bond' was prominent - into the present mark - in which 'Brooke Bond' is not prominent - did not support HUL's case; and
- The mark RED LABEL is not distinctive, irrespective of whether it is descriptive or not.

Therefore, the IPAB held that HUL had no exclusive rights to use the words 'Red Label'. Therefore, there was no merit in the appeals and the IPAB dismissed all four appeals.

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