

IP Hotline

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IS SRI KRISHNA SWEETS MARK A TRADEMARK INHERITANCE?

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- Two brothers claimed rights to use the SRI KRISHNA SWEETS mark by virtue of inheritance from their father
- Plaintiff claimed damages and sought a permanent injunction from using the trademarks or any other mark using the word 'Krishna'
- Court ordered the parties to maintain the status quo, holding that an injunction would severely affect the defendant's business

Sri Krishna Sweets is a popular Indian sweet manufacturer based in Coimbatore. The case involved a trademark dispute between two brothers and their claim to use the SRI KRISHNA SWEETS mark by virtue of their equal share and right in the goodwill of the mark as part of an inheritance from their father.

BACKGROUND

The managing director of Sri Krishna Sweets Private Limited (plaintiff company), M Krishnan (the plaintiff), and M Murali (the defendant) are brothers. Their father started a restaurant called Sri Krishna Bhavan in Coimbatore in 1948.

The plaintiff subsequently started the Sri Krishna Sweets business in 1979 in partnership with his mother and aunt. He further obtained registrations for three trademarks in Class 30, namely:

- a device mark under Application 404943 bearing the image of Lord Krishna with the word 'Krishna' in stylised form;
- a device mark under Application 484524 bearing the word 'Krishna' in stylised form; and
- a device mark under Application 484525 bearing the word 'Krishna' in capital letters.

After the partnership dissolved the plaintiff became the sole proprietor of the business and the trademarks.

In 1990 under a licence agreement the plaintiff granted the defendant the right to use the trademarks for the purpose of starting a restaurant. In 1996 the defendant also started a business in Coimbatore under the name 'Kovai Sri Krishna Sweets' with the logo SKS. With the plaintiff's permission he used the plaintiff company's tagline "Divine Sweets, Divine Taste" and "Anbai Solla Azhagana vazhi".

In February 2002 the defendant was made a director of the plaintiff company. Subsequently, in March 2002 the plaintiff assigned the trademarks' rights to his wife.

In June 2002 the plaintiff company, represented by the defendant, purchased Sri Krishna Sweets at Coimbatore and all other branches from Mr Krishnan along with the assets and liabilities belonging to the business. Meanwhile, Mr. Krishnan applied for a trademark for 'Sri Krishna Sweets'. The application was accepted subject to association of the trademark with the other marks but was later withdrawn by the applicant as the other marks were assigned to his wife.

The defendant resigned from the directorship of the plaintiff company on August 27 2010 to start his own private limited company. He also applied for a trademark for the words 'Sri Krishna' for spices but subsequently abandoned the mark. Subsequently, all the trademarks were assigned in the name of the plaintiff company.

The plaintiff asked the defendant to agree to transfer his oral licence agreement to a written document as was required under the Trademarks Act 1999. The defendant replied that the name 'Sri Krishna Sweets' was started by their father and was a gift to both children. Subsequently, the plaintiff company passed a resolution revoking the permission granted to the defendant to use the 'Sri Krishna Sweets' name and suits and an interim injunction application was filed to refrain the defendant from using the name.

The original suit had been filed by the plaintiff claiming, among other things, damages of Rs100,000 and seeking a permanent injunction from using the trademarks or any other mark using the word 'Krishna' including 'Sri Krishna Sweets'.

Pending the suit, the plaintiff filed three applications claiming interim injunctions under the Code of Civil Procedure before the Trial Court, III Additional District Judge, Coimbatore. The trial court dismissed the applications and the

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plaintiff appealed to the Madras High Court claiming an interim injunction restraining the defendant from:

- using or issuing any advertisements using the trademarks;
- using any domain name containing 'Krishna'; and
- opening any new branches under a name or mark infringing the plaintiff's trademark.

PETITIONER ARGUMENTS

The plaintiff argued that Sri Krishna Sweets was started by the plaintiff in partnership with his mother and aunt. It was not started by the father and there was no claim for right or share in goodwill for the defendant. It was further argued that the partition deed after the father's death showed that the father never claimed any right over the business or trade name 'Sri Krishna Sweets'. Once the trademark for the word 'Krishna' had been registered in favour of the plaintiff, the words 'Sri' and 'Sweets' being generic terms, the non-registration of the term 'Sri Krishna Sweets' would not prevent the petitioner from seeking an injunction restraining the defendant from using that term.

Until 1996 there was a clear demarcation in the business dealings of the two brothers – the plaintiff was involved in the sweets business and the defendant ran the restaurant business. The plaintiff subsequently under an oral agreement allowed the defendant to use the name 'Sri Krishna Sweets' and the tagline in good faith. An attempt by the defendant in 2010 to register the mark SRI KRISHNA SWEETS also showed that his claim that the trademark belonged to their father was made only for the purpose of this case.

Two joint venture agreements were entered into by the plaintiff company and the respective promoters in Dubai and the United States for running the business in these countries. Both the agreements had clauses clearly acknowledging that the plaintiff was the sole owner of the Sri Krishna Sweets and the SKS trademarks. By virtue of the defendant being a co-signatory to these agreements, he had acknowledged that the plaintiff was the owner of the mark.

DEFENDANT ARGUMENTS

The trademark application for 'Sri Krishna Sweets' made by the plaintiff was withdrawn and therefore there was no registered or applied-for mark for this name by the plaintiff or plaintiff company. Therefore, there can be no claim for infringement but there could possibly be a claim for passing off.

The name 'Sri Krishna Sweets' and the logo SKS were first used by the father in 1948 and the sons started using it as a part of their common inheritance. The plaintiff's claim that oral permission was granted to the defendant to use the trade name and the device of Lord Krishna was strongly denied.

Reliance was placed on an advertisement issued by the plaintiff company as well as the plaintiff company website, where it was clearly stated that Sri Krishna Sweets was started by the late Mr MK Mahadeva Iyer (ie, the father). This showed that Mahadeva Iyer had started the business and that the plaintiff had merely joined the business as the elder son. It was claimed that this would not give him an exclusive right to the trademarks.

It was argued that the claim that the plaintiff company was started in 1979 by the plaintiff was false. Invoices for the purchase of sweets from the plaintiff company shop in Coimbatore carried the words "Sweet Tradition since 1948". These words were only removed after the suit was filed.

It was also argued that even assuming that the plaintiff and thereafter the plaintiff company was the proprietor of the mark, they had permitted the defendant to use the mark from 1996 and now, after 20 years of the defendant carrying on the business under that name, had sought an injunction action.

Even assuming the joint venture agreements could be looked into by the court, it could only be concluded that the defendant had acknowledged the plaintiff company's ownership of the trademark rights in the mark in Dubai or in the United States, not in India.

JUDGMENT

Both parties traced the lineage of their business to Mahadeva Iyer. The plaintiff company consistently claimed that it had used the mark since 1948 when the plaintiff was not even born. Therefore, the business could only have been started by Mahadeva Iyer.

It was noted that the plaintiff had removed the words "Sweet Tradition since 1948" and the mention of Mahadeva Iyer from the plaintiff company website only after filing the current suit in an attempt to separate Sri Krishna Sweets from Mahadeva Iyer. The court dismissed the plaintiff company's argument that any and all association of the business name with the late Mahadeva Iyer was out of respect.

With regards to the claim of the use of the mark and tagline under an oral licence, the court noted that every business dealing of the plaintiff company, including every assignment or licence over the course of several years, was documented. Therefore the court did not accept the claim that the oral licences were granted by the plaintiff company.

The rights acknowledged in the joint venture agreements were held to relate only to rights that may accrue in the United States or Dubai, not in India.

The defendant had been running his business since 1996 and neither the plaintiff company nor the plaintiff had ever raised any objections regarding the use of the mark. While placing reliance on earlier jurisprudence and to maintain the balance of convenience (which is a key ingredient in granting an interim injunction) the court ordered the parties to maintain the status quo. It held that there was acquiescence on part of the plaintiff company and that granting an injunction at this stage would severely affect the defendant's business.

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