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IN THE HIGH COURT OF DELHI AT NEW DELHI

PRONOUNCED ON: 18.12.2009

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I.A. No. 8909/2009 in CS (OS) 1273/2009

M/s Sun F & B Business

..... Plaintiff

Through: Ms. Amrita Sanghi with Mr. Aditya Sharma, Advocates

versus

21st Hospitality Private Limited

..... Defendants

Through: Mr. Rohit Kumar Yadav with Mr. Puneet Parihar,. Advocates

CORAM:

HON'BLE MR. JUSTICE S. RAVINDRA BHAT

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| 1. | Whether the Reporters of local papers may be allowed to see the judgment? | Yes |
| 2. | To be referred to Reporter or not? | Yes |
| 3. | Whether the judgment should be reported in the Digest? | Yes |

HON'BLE MR. JUSTICE S.RAVINDRA BHAT (OPEN COURT)

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1. The plaintiff in this suit seeks a decree for permanent injunction, restraining the defendant from using the mark “Urban Café” or any other similar mark or label, alleging that the use by the latter (the defendant) amounts to infringement and passing off. A decree for damages too, is sought, besides other consequential relief.

2. This order will dispose of the plaintiff’s application, under Order 39 Rules 1 and 2, Civil Procedure Code (CPC) seeking an *ad interim ex-parte* injunction restraining the defendant and others acting on its behalf from serving, marketing, selling, exporting and offering for sale,

advertising, displaying in signages and façade boards, using directly or indirectly or dealing the plaintiff's trademark "Urban Pind" and "Urban Café" and other deceptively similar marks and from doing any other acts as may constitute confusion and deception, resulting in passing off by the defendant.

3. The plaintiff is a partnership firm engaged in the hospitality business since 2005 and claims to own a well-known chain of reputed Cafés and restaurants. It further claims that "Urban Café" and "Urban Pind" are its renowned and popular trademarks in and around Delhi and National Capital Region (NCR) and are exclusively associated with the plaintiff. The plaintiff is the registered owner of the trademark "Urban Pind" in Class-42 and its application for registration for the trademark "Urban Café" is pending registration since 05.02.2009 with the Trademark Registrar, in the same class. The plaintiff contends that that it started the "Urban Café" on the top floor of its Bar and Restaurant "Urban Pind" at N-block, Greater Kailash-I, New Delhi and has been using that mark and trade name "Urban Café" for last more than 2 and ½ years.

4. It is contended that the said marks "Urban Pind" and "Urban Café" (capital written word 'Urban' and the word 'Cafe' in cursive form of writing) are unique words, formed with combination of two words and exclusive, distinctive in their character, style and pattern. The names were introduced by the plaintiff in the year 2005. Thus, it enjoys the privilege being the prior user. The plaintiff claims to be using the mark "Urban Café" in different patterns, formats and styles. It claims that these marks draw such instant connotation that the plaintiff and are exclusively associated with it. Plaintiff claims to be the owner of the copyright on the said trade-name within the meaning of Section 2(c) of the Copyright Act, 1957. The plaintiff has also cited the details of expenditure incurred by it on sales promotion activities under the trade names

“Urban Pind”, “Urban Bar” and “Urban Café” in paragraph 10 of the plaint. In support of its case, the plaintiff relies on copies of newspaper clippings, in regard to its Urban Pind mark. It also relies on newspaper articles for the period April, 2008, May, 2008 to October, 2008, where the launch or opening of the Urban Café at Greater Kailash has been discussed.

5. The plaintiff contends that, the defendant is a company engaged in similar business of bars, restaurants and café serving Italian and Indian cuisine in its café’s/restaurants, earlier being run under the name and style of “Café Italia”; however, recently its name was changed to “Urban Café”, which is a blatant copy and imitation of the plaintiff’s mark. This, the plaintiff alleges has been done by the defendant with a *mala fide* intention of trading on plaintiff’s goodwill and reputation. A mere look at the conflicting trade names and trademarks clearly show that the act of the defendant is deliberate, conscious and fraudulent. The customers are the general public, who generally go by the trademark employed, in the café, bar and restaurants.

6. It is argued that the Court should have regard to the trademark registration in favour of the plaintiff, and the blatant attempt by the defendant, in seeking to appropriate it, amounts to infringement of its mark “Urban Pind”, and passing off, in relation to the “Urban Café” mark. If the Court does not issue interim injunction, the plaintiff would be tremendously prejudiced.

7. The defendant, resists the suit and the application, firstly urging that this Court does not have jurisdiction to entertain and try the suit, because the mark, in respect of which infringement is complained, is unregistered and that for an action for passing off, the plaintiff has to institute the suit where the cause of action or a part of it arose. Since the defendant’s café is located in Gurgaon, outside the jurisdiction of this Court, it would be inappropriate for the Court to assume jurisdiction and pass any order. It is next urged that the defendant had hit upon the idea of using the term “Urban Café” and has been in fact using it, since 2007. The defendant points out there

are several other similar marks, particularly in the United States, and that there is no exclusivity attached to the mark, as they are common words of descriptive nature. The defendant relies on its documents to submit that the use of the mark was much before the plaintiff started using it, and therefore, the Court should not grant the temporary injunction sought. It is also argued that whatever the situation regarding the registered mark “Urban Pind” this Court should be mindful of the fact that the question in this case, is whether the use of the mark “Urban Café” amounts to passing off.

8. It is submitted that the defendant started the café by organizing “Urban Café Nites” on 21.12.2007, 29.03.2008, 06.08.2008 and 13.09.2009. The defendant says that it is using the brand or theme “Urban Café” for its pub (restro-bar) in Gurgaon. The defendant says that the plaintiff is trying to confuse the use of the brand “Urban Pind” which is registered, with the “Urban Café” legend, and attempting to gain monopoly over the words. The defendant denies that the plaintiff has acquired any distinctiveness in relation to the said mark; it contends that the term “Urban” and “Café” are common words, and have been extensively used in the hospitality and restaurant business in other parts of the world.

9. In support of its case, the defendant relies on memos and invoices issued by a DJ group, for the “nites” organized by it, as “Urban Café Nites” and also submits that it had applied, and was granted excise license for its business, in April, 2009. A copy of the receipt evidencing payment of license fee has been produced.

10. The above discussion would reveal that the Court has to decide whether the plaintiff is entitled to claim an *ad-interim* injunction restraining the defendant from using the “Urban Café” mark. That the plaintiff is registered proprietor of the “Urban Pind” mark, in relation to Class 42 services for the last 3 years (and its claimed user, since 2005) is an undisputed fact. The

plaintiff's claim for usage of the Urban Café mark is supported by newspaper clippings, mainly articles and reviews in dailies and "pullout" supplements. The earliest of these is in the first week of April 2008. The plaintiff's claim to the distinctive character of the mark is based on such use, since and the fact that it spent Rs. 8.09 lakhs towards advertisement expenditure for the year 2008; the figures for the year to 2009, till the suit was filed, were Rs. 3 lakh. The plaintiff however, has not produced any sales vouchers, or details of expenditure made by it, nor has it supported its claim for extensive sales for the relevant years, by producing invoices. The documents filed include a copy of the registration certificate in respect of the mark "Urban Pind" and evidence to the effect that an application for registration of the mark "Urban Café" was made in February, 2009. On the other hand, the defendant has produced a number of vouchers, pamphlets, etc, showing that the "Urban Café" legend was adopted by it in late 2007, and on many occasions in 2008. It has also produced a copy of the license fee receipt paid to the Excise Department in Gurgaon.

11. On weighing the totality of circumstances, the Court is of the opinion that the materials produced on record by the plaintiff do not establish that it has acquired brand distinctiveness in relation to the terms "Urban Café" so as to evoke an inevitable mental association on the part of the average customer, who avails such services, with itself. The best materials on record are in the form of reviews- the earliest newspaper review reveals that the plaintiff launched the Urban Café mark, in April, 2008. The defendant's documents similarly show that it had adopted the mark at around the same time, or maybe a few months earlier. In order to seek injunction, the evidence for user has to be clinching to the extent that the combination of the words "Urban Café" would inevitably evoke a mental association with the plaintiff's café or restaurant. While the length of user is not necessarily conclusive in all cases (brand association by the consumer

can be built through powerful short-term advertisement and media campaigns, as several instances have testified); yet, usually, it is a safe *indicia*, along with other relevant factors such as extent of sales, time for which the mark has been used, amount spent for publicity, etc.

12. There is another reason why the Court is of the opinion that the plaintiff's claim rests on weak foundation. The combination of the words "Urban Pind" is in many senses unique; it can even be called as a coined phrase. However, "Urban Café" is at least partially descriptive, as a café is a common word, and also invokes the image of a particular type of restaurant, in current usage. The combination "Urban Café" is in a sense descriptive, and also generic. Therefore, the mark is not a strong one; for the plaintiff in such case, to apply for an interim injunction successfully, there must be *prima facie* clinching material to show widespread association of the mark, with the particular services (the plaintiff's units) alone. Such evidence is, however, lacking.

13. In view of the above discussion, the Court is of the opinion that the plaintiff has not made out a *prima facie* case for grant of *ad-interim* injunction. The application has to therefore, fail. The application, IA 8909/2009 is, accordingly dismissed.

CS (OS) 1273/2009

The parties are directed to complete the pleadings in the suit, within eight weeks. They shall admit or deny each other's documents, within ten weeks from today. The suit shall be listed before the Joint Registrar for scrutiny on 5th March, 2010.

List the suit before the Court on 25th March, 2010 for framing of issues.

18th December, 2009

**S. RAVINDRA BHAT
(JUDGE)**