

. \* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% Order delivered on: 9<sup>th</sup> October, 2014

+ **CS(OS) No.823/2005 & I.A. No.4645/2005**

NIRULAS CORNER HOUSE PVT.LTD ..... Plaintiff

Through Mr.Pravin Anand, Adv. with  
Mr.Nischal Anand & Mr.Aman  
Taneja, Advs.

versus

P.K.NARULA AND ORS ....Defendants

Through Defendants are *ex-parte*.

**CORAM:**

**HON'BLE MR.JUSTICE MANMOHAN SINGH**

**MANMOHAN SINGH, J.**

1. The plaintiff has filed a suit for permanent injunction restraining infringement of trade mark, passing off, rendition of accounts of profit, delivery up against the defendants.

2. It is the case of the plaintiff that the plaintiff incorporated in 1974 acquired and took over the ongoing concern along with all assets and liabilities of the partnership firm, Nirulas Corner House carrying on the business of *inter alia* hotels, restaurant, canteen, bakery, confectionery, caterers, bar, wine-shop, licensed victuallers, dairy and poultry products, milk products, cold storage, dehydrating, deep freezing, preserving to all types of edible products, distribution and publishing of tourist publicity and other materials, book-shop,

entertainment centers including various rights, benefits and privileges acquired or possessed by such business.

3. The predecessor of the plaintiff-Company (hereinafter also referred to as the 'Plaintiff') was first established in the year 1934 and today the plaintiff is a diversified, professional and highly reputed company that has a chain of business hotels, family restaurants, ice-cream parlours, pastry shops and food processing plants in India.

4. The plaintiff adopted the trade mark/name NIRULA'S in the year 1947 and is registered proprietor in India for the trade mark "NIRULA'S" in various classes under the provisions of the Trade Mark Act, 1999, (hereinafter referred to as the "Act") the details of the registered trademarks are given in para 7 of the plaint. Besides its trademark registration, the plaintiff is also registered owner of copyright in the artistic work comprising the NIRULA'S logo under copyright registration Nos.A-41439/83, A-18780/77, A-18663/77, A-24666/79 & A-40379/83.

5. Since 1947, the plaintiff has numerous "firsts" to its name, such as the first Fruit Preservation Unit in Delhi which produced jams, squashes and other preserves marketed under the mark NIRULA'S all over India in 1947. Other firsts include the first non-Chinese to start a Chinese restaurant in India under the name and style the "Chinese Room" in 1950, first to start "The Nirula's Store" which offered cold meat products and baked items such as pastries, cakes etc in 1950's, the first to introduce espresso coffee in India in 1954, the plaintiff started the first modern 3-Star hotel in India in 1958, first to introduce "The Pastry Shop" that was followed by the opening of

“The Snack Bar” in 1972 and the Hot Shoppe in 1977, opening the first Ice-Cream parlour in India in 1978 amongst others and in 1985, the Central Kitchen, comprising of an ice cream section, fruit section, bulk kitchen, was opened at Okhla.

6. The annual sales turnover and publicity and sales promotion expenses of the plaintiff under the trade mark/name “NIRULA’S” for years 1995-2004 and up to June, 2005 are given in Para 6 of the plaint.

7. The well-known nature of the plaintiff’s trade mark/name is evidenced by the publicity received through various write-ups appearing in highly reputed newspapers and magazines, both national and international, the details of the same are given in the para 10 of the plaint. Further the plaintiff promotes its goods and services through its website [www.nirulas.com](http://www.nirulas.com).

8. The plaintiff has been protecting trade mark/name/service mark “NIRULA’S” by filing various suits in this Court, the details of which are given in the para 11 of the plaint.

9. Over more than the last 60 years, the plaintiff’s trade mark/name NIRULA’S has acquired an enviable reputation both in the market and the trade. For several decades, the trade mark/name NIRULA’S has consistently and exclusively been associated with hygienic and appetizing baked items, ice creams and food preparations and has continued to distinguish the plaintiff’s goods from those of other traders. Thus, the trade mark/name NIRULA’S is distinctive of the food items manufactured/services rendered by the plaintiff.

10. It is averred that by virtue of the high quality and standards of the both products and services the trade mark/name "NIRULA'S" has acquired valuable recognition in India and internationally and customers identify and associate NIRULA'S with the plaintiff.

11. It is the case of the plaintiff that in the month of January, 2005 the plaintiff became aware of defendant No.1's applications for registration of the trade mark NARULA'S HEALTH in respect of various goods falling in classes 29, 30 and 32 and thereafter, the plaintiff filed notice of oppositions against each of the trade mark applications under the Act.

12. In the month of April, 2004, the plaintiff instituted an investigation of the defendant No.1 to verify the claim of the use of the mark NARULA'S HEALTH in respect of various goods. The investigation revealed that the defendant No.1 is one of the promoters of the Narula Group comprising of defendant Nos. 2 to 3. During the investigation, it was claimed on behalf of the said defendants that the mark NARULA'S HEALTH is being used in respect of food products meant for exports. However, the plaintiff's representatives came across Orange syrup, Lemon syrup and sauces under the mark NARULA'S being manufactured by the defendant No.2 and marketed by the defendant No.3 that was purchased on 5<sup>th</sup> May, 2005.

13. It has been contended that since consumers and members of the trade associates the trade mark/name/service mark NIRULA'S exclusively with the plaintiff, the defendants' use of an identical trademark will invariably deceive the consumers and trade into a

belief that the goods of the defendants are those of the plaintiff and the defendants are associated with the plaintiff in some manner.

14. Defendant No.1 in his written statement has denied the contentions of the plaintiff made in the plaint and has contended that the plaint is liable to be rejected on the ground that the plaint is not supported with legal, valid and proper affidavit and does not disclose any cause of action against the defendants.

It has been further stated that the 'NARULA GROUP' was founded way back in the year 1953 by Narula Brothers and was incorporated as Narula Udyog (India) Pvt. Ltd. in the year 1974-75. The said group has been using the name "NARULA" for the last more than 50 years during the course of the business. It is also stated that M/s Narutek India Ltd. being member of NARULA GROUP has also sold tea and tea bags in the name of "NARULA'S TEA GOLD" under the category 29, 30, 3, 5 and applied for the same in the year 1993.

15. It is stated that the NARULA GROUP has been carrying on the business continuously and extensively of health care products and food agro technology along with other business in the field of the power, infrastructural development, chemicals, information technology, logistic and tourism. It is further stated that the company itself is not running the business of hotels, restaurants, parlours, shops and food processing but by different people.

16. The defendant No.1 along with other members/directors, being the members of the same family formed the NARULA GROUP and companies and got them incorporated. He has been using his surname all along during the course of business.

17. It is stated that the plaintiff is misrepresenting and misleading this Court as the mark is “Nirula’s” and not NIRULA’S. The logo of NARULA’S HEALTH PRODUCT is being used along with “NARULA’S”. The whole scheme i.e. added logo, colour, size and shape of bottles, the style in which it is written are totally different from that of the plaintiff. Moreover, the two marks “NARULA’S” and “Nirula’s” are distinctively different from each other.

18. The plaintiff in his replication to the written statement has denied the contentions of the defendant No.1 and reiterated and reaffirmed its stand taken in the plaint.

19. The suit along with said interim application was listed before Court on 31<sup>st</sup> May, 2005. After hearing, detailed ex-parte order was passed against the defendants restraining their directors, proprietors, partners, principal officers, servants, representatives, dealers and all others acting for and on behalf of the defendants from trading or indulging in any business activity and manufacturing, selling, offering for sale, advertising, directly or indirectly dealing with any goods falling in classes 29,30 and 32 or any other goods or services under the mark NARULA’S or any other mark that is deceptively similar to the plaintiff’s trade mark NIRULA’S.

20. The issues were framed vide order dated 17<sup>th</sup> May, 2005 and the plaintiff led evidence by way of affidavit on 13<sup>th</sup> May, 2008. Thereafter, the matter was listed for cross-examination. However, since no one appeared for defendants to cross-examine the witness, thus, the opportunity of the defendants to cross-examine PW-1 was closed vide order dated 30<sup>th</sup> January, 2013. Also, the plaintiff’s

evidence was closed in view of the statement made by the learned counsel.

On 8<sup>th</sup> July, 2013 learned counsel for the defendants made the statement that the defendants are not continuing further with the user of the impugned trade mark, so they have decided not to lead any evidence and accordingly the defendants' evidence was closed.

21. The matter was listed before this Court for final hearing. On 5<sup>th</sup> September, 2014 no one appeared on behalf of the defendants and the defendants were proceeded *ex-parte* and the matter was listed on 9<sup>th</sup> October, 2014 for final disposal.

22. I have heard the learned counsel for the plaintiff. In evidence, the plaintiff proved the facts stated in the plaint by filing evidence by way of affidavit of Mr.J.S Grover, Vice President and the Constituted Attorney of the plaintiff as PW-1 who also exhibited certain documents exhibited as Ex.PW1/1 to Ex. PW1/23 and Mark A to Mark D. The supplementary evidence was also filed on 16<sup>th</sup> November, 2010 by PW-1 who exhibited certain additional documents exhibited as Ex.PW1/24 to Ex. PW1/26.

The list of documents exhibited on behalf of the plaintiff is given below:

- True copy of the extracts of the minutes of the meeting of the board of directors, exhibited as Ex.PW-1/1
- Certified copy of Memorandum of Association and Articles of Association of the plaintiff, exhibited as Ex. PW1/2.

- Photographs of plaintiff's products under its well known trade mark "NIRULA'S", exhibited as Ex.PW-1/3
- Original samples of plaintiff's leaflets, menu cards bearing the trade mark "NIRULA'S", exhibited as Ex. PW-1/4(colly)
- Collection of various advertisements marked as 'Mark A'.
- Copy of plaintiff's booklet (employees handbook), exhibited as Ex.PW-1/5
- Copies of the various write-ups of the plaintiff marked as 'Mark B'
- Original write-ups of the plaintiff, exhibited as Ex. PW-1/6
- The certificates for use in legal proceedings under the registration No.'s 553122 in Class 32, 553123 in Class 33, 394687 in Class 30, 553125 in Class 29, 553124 in Class 31, 328391 in Class 30, 217676 in Class 30 and 328392 in Class 30, exhibited as Ex.PW-1/7 to Ex.PW-1/14
- Extracts from the trade mark Journals No.'s MEGA 1,1325 Suppl (I) and 1307 (suppl) bearing the advertisements of plaintiff's trade mark "NIRULA'S" under the No.'s 670559, 1267860, 1073746 B, 1266329, 1267861, exhibited as Ex.PW-1/15 (colly)
- Original print outs from the plaintiff's website [www.nirulas.com](http://www.nirulas.com), exhibited as Ex.PW-1/16 (colly)
- The certified copies of the copyright registrations from the Registrar of Copyright for various NIRULA'S logos under

registration No.'s A-41439/83, A-18780/77, A-18663/77, A-24666/79 and A-40379/83, exhibited as Ex.PW-1/17

- Certified copy of the statement of the Annual Sales Turnover and the publicity and sales promotion expenses of plaintiff, exhibited as Ex.PW-1/18
- Original publicity and promotional material of plaintiff, exhibited as Ex.PW-1/19
- Certified copy of the relevant orders of this Court, exhibited as Ex.PW-1/20
- Certified copy of the decree in Suit No.2359/92, exhibited as Ex.PW-1/21
- Copies of the orders marked as 'Mark C'.
- Original receipt dated 5<sup>th</sup> May, 2006 for the purchase of the defendants impugned products under its deceptively similar mark NARULA'S, exhibited as Ex.PW-1/22.
- The photographs of the impugned/infringing products, exhibited as Ex.P-1 and Ex.P-2
- The extracts from the trade mark Journals bearing the impugned applications of the Defendant No.1, exhibited as Ex-PW1/23 (colly)
- Copies of Notice of oppositions against each of the trade mark applications under the Trade Marks Act, 1999 marked as 'Mark D'

- Original Power of Attorney dated 31<sup>st</sup> March, 2005, exhibited as Ex.PW-1/24
- Extracts of the minutes of the board of the directors of the plaintiff dated 28<sup>th</sup> March, 2005, exhibited as Ex.PW-1/25
- Original Power of Attorney dated 31<sup>st</sup> March, 2008, exhibited as Ex.PW-1/26.

23. It appears from the record that the plaintiff is the registered proprietor of the trademark **NIRULA'S** since the year 1951. The details of the registrations obtained in the plaintiff are as under:

| Registration No. | Trademark       | Goods                                                                                                           | Class |
|------------------|-----------------|-----------------------------------------------------------------------------------------------------------------|-------|
| 553122           | Nirula's        | Non-alcoholic drinks.                                                                                           | 32    |
| 553123           | Nirula's        | Alcoholic Drinks                                                                                                | 33    |
| 394687           | Nirula's(Label) | Non-medicated confectionery and food stuffs for human consumption included in class 30.                         | 30    |
| 553125           | Nirula's        | Meat, fish, poultry, dried and cooked fruits and vegetables, eggs, milk, dairy products, preserves and pickles. | 29    |
| 553124           | Nirula's        | Fresh Fruits And Vegetables                                                                                     | 31    |
| 328391           | Nirulas21       | Ice creams                                                                                                      | 30    |

|        |            |                                                                                        |    |
|--------|------------|----------------------------------------------------------------------------------------|----|
| 217676 | Nirula's   | Non-Medicated Confectionery And Food Stuffs For Human Consumption Included In Class 30 | 30 |
| 328392 | Hot Shoppe | Food stuffs for human consumption                                                      | 30 |

The plaintiff is also the registered owner of copyright in the artistic work comprising of the **NIRULA'S** logo.

24. As a result of continuous use in relation to the superior quality goods and services provided by the plaintiff, the trade name/ trademark/ service mark **NIRULA'S** has come to acquire goodwill and reputation amongst the consuming public. The pervasive goodwill and reputation enjoyed by the plaintiff's products all over the world including in India is evident from its annual sales turnover. Illustratively, the sales turnover for the year 2005-2006 was Rs.46,99,85,818/-. The plaintiff has also expends immense resources, money and efforts in the promotion of its goods and services under the trademark/ service mark **NIRULA'S**. By virtue of the large-scale and extensive publicity efforts, the trade name/ trademark/ service mark **NIRULA'S** has achieved a strong identity and is instantly recognizable all over the world including in India as emanating from the plaintiff.

25. The mark **NIRULA'S** has been used as the key, essential and dominant feature of the plaintiff's trading style and as a trade mark/service mark since the very commencement of its business in

the year 1934. Although the said word is a surname in India, by virtue of its extensive, exclusive and continuous use by my company in relation to food items for several decades, the word **NIRULA'S** has acquired a secondary meaning connoting and denoting the business, goods and services the plaintiff. Moreover, by conferring registration on the said mark as a trademark, the Registrar of Trademarks has deemed the said mark as being capable of distinguishing and/or having acquired distinctiveness in relation to the goods of the plaintiff, namely non-medicated confectionery and food stuffs for human consumption and distinguishing its goods from those of other manufacturers.

26. In the case of ***Mahendra & Mahendra Paper Mills Ltd. v. Mahindra & Mahindra Ltd.*** [2002 (2) SCC 147], the Supreme Court observed that *"It is clear that the plaintiff has been using the word 'Mahindra' and 'Mahindra & Mahindra' in its companies/business concerns for a long span of time extending over five decades. The name has acquired a distinctiveness and a secondary meaning in the business or trade circles. People have come to associate the name 'Mahindra' with a certain standard of goods and services. Any attempt by another person to use the name in business and trade circles is likely to and in probability will create an impression of a connection with the plaintiffs' group of companies. Such user may also effect the plaintiff prejudicially in its business and trading activities."*

27. By virtue of prior and *bona fide* adoption as also due to the extensive and continuous use and promotion of the trademark **NIRULA'S**, the plaintiff is the proprietor the trade name/ trademark/

service mark **NIRULA'S** which enjoys reputation and goodwill. The plaintiff is entitled under common law to the sole, exclusive and undisturbed use of the trademark **NIRULA'S** or any other similar mark in the course of trade as well as the right to prevent the misuse of the said mark by any third party.

28. It has come on record that the plaintiff has been extremely vigilant in safeguarding its rights in the trade name/ trademark/ service mark **NIRULA'S** and have from time to time successfully initiated proceedings and taken action against any third party misuse.

29. *Prima-facie*, it seems that by the use of the deceptively similar mark **NARULA'S** in respect of its goods, the defendants have made a *mala fide* attempt to encash upon the plaintiff's goodwill and reputation in the mark **NIRULA'S**. The adoption and use of the mark **NARULA'S** by the defendants is leading to mislead the members of the public into believing that the defendants' goods/services belong to or are related with or otherwise approved or endorsed by the plaintiff.

30. The main defence raised by the defendants has no force that **NARULA** is surname of defendant No.1 and he is entitled to use the same even in respect of same business carried out by the plaintiff. Section 35 of the Act is relevant in this regard and the same is reproduced as under:-

“Section 35 – Nothing in this Act shall entitle the proprietor or a registered user of a registered trade mark to interfere with any bonafide use by a person of his own name or that of his place of business, or of the name, or of the name of the place of business, or any of his predecessors in business, or the sue by any person of any bonafide

description of the character or quality of his goods or services.”

Therefore, though there does exist a right to use one’s own name, but the said use must be bonafide.

### **Bonafide Use**

31. “Bonafide use” normally means the honest use by the person of his own name without any intention to deceive anybody or without any intention to make use of the goodwill which has been acquired by another trader. The words “bonafide use” is the governing words and heart and soul of the said Section. The party can not blindly read this Section that under the statue, he is entitled to use his own name, surname in respect of same goods and services. No different meaning cannot be given to this Section, if the use is not bonafide and the same is tainted and dishonest. Under these circumstances, this Section would not apply.

32. The following observations of this Court in ***Dr. Reddy’s Laboratories Ltd. versus Reddy Pharmaceuticals Limited***, 2004 (29) PTC 435 (Del.), which were affirmed by the Division Bench are very relevant in this regard:

“15. The plea raised by the defendant that it has a bona fide statutory right to use the trade name "Reddy" as its Managing Director is Mr. Reddy is also liable to be rejected for the reason that the trade mark "Dr. Reddy" in spite of not bring registered has acquired considerable trade reputation and goodwill in the community dealing with drugs and pharmaceutical not only in India but abroad also. This trade mark is now distinctively associated with the plaintiff's company. Its long and continuous user by the plaintiff is prima facie established. The use of trade name/mark "Reddy" by the defendant is capable of causing

confusion and deception resulting in injury to the goodwill and reputation of the plaintiff company. No other "Reddy" has a right to start a rival business by using the same trade name on the plea that it is his surname. This would encourage deception. If such a plea is allowed, rivals in trade would be encouraged to associate in their business ventures persons having similar surnames and it was held to be an act of passing off the goods and it was observed that the use of such family name as a trade mark was not permissible. The plea of the defendants that the surname of the partners of its firm could be used to carry on trade in their own name was rejected. It was held that prima facie the defendants were intentionally and dishonestly trying to pass off their goods by use of name "Bajaj" and as such the plaintiff had made out a case for grant of injunction.

19. Section 35 of the TMM Act is also of no help to the defendant as the use of name "Reddy" on pharmaceutical preparations by the defendant is not shown to be bona fide. The drugs and pharmaceutical preparations being manufactured by the plaintiff may be having different names but that does not disentitle the plaintiff to claim protection in regard to its trade mark "Dr. Reddy" which has earned substantial trade reputation and goodwill. This trade mark has acquired a distinctive reputation. Use of an identical or deceptively similar trade mark may mislead the customers on account of similarity. "Dr. Reddy" and "Reddy" are similar trademarks phonetically and are capable of creating confusion. There is identity of goods, identity of trade mark and identity of consumers. The defendant is not at all an honest and concurrent user of the trade mark "Reddy" and it is apparent on record that it has started using the trade mark "Reddy" on its pharmaceutical preparations in bad faith knowing fully well that the plaintiff company has enormous trade reputation and goodwill in the trade mark "Dr. Reddy" which is completely associated with plaintiff and has acquired a secondary meaning in business circles."

33. It is a question of fact, to be decided on the evidence, whether a name or mark has acquired a secondary meaning so that it denotes or has come to mean goods made by a particular person and not goods made by any other person, even though such other person may have the same name. If it is proved on behalf of a claimant that a name or mark has acquired such a secondary meaning, then it is a question for the Court whether a defendant, whatever may be his intention, is so describing his goods that there is a likelihood that a substantial section of the purchasing public will be misled into believing that his goods are the goods of the claimant.

34. In ***Parker v. Parker***, reported in (1965) R.P.C. 323, the Court faced the similar question. In that case, one John Thomas Parker formerly connected with a company carrying on business as estate agent under the name 'Parkers' set up in business on his own in the same area also as 'Parkers'. An interlocutory injunction was granted to restrain him from doing so, by observing that:

“The question is not simply whether the defendant can be prevented from using his own name but whether the defendant can be prevented from garnishing that name...in such a way that it looks as if the name were being used not by him but by the plaintiffs.”

35. In the case of ***Mahendra and Mahendra Paper Mills Ltd.*** (supra), the Supreme Court confirmed the decision of the Trial Courts and granted the protection from using the name “Mahindra” which is own name of the defendant, though the defendant-company was yet to commence its business. The Supreme Court discussed the various well-known decisions on this aspect and finally came to the conclusion as under:-

“24. Judging the case in hand on touchstone of the principles laid down in the aforementioned decided cases, it is clear that the plaintiff has been using the word "Mahindra" and "Mahindra & Mahindra" in its companies/business concerns for a long span of time extending over five decades. The name has acquired a distinctiveness and a secondary meaning in the business or trade circles. People have come to associate the name 'Mahindra' with a certain standard of goods and services. Any attempt by another person to use the name in business and trade circles is likely to and in probability will create an impression of a connection with the plaintiffs' group of companies. Such user may also affect the plaintiff prejudicially in its business and trading activities. Undoubtedly, the question whether the plaintiffs' claim of 'passing-off action' against the defendant will be accepted or not has to be decided by the Court after evidence is led in the suit. Even so far the limited purpose of considering the prayer for interlocutory injunction which is intended for maintenance of *status quo*, the trial Court rightly held that the plaintiff has established a *prima facie* case and irreparable prejudice in its favour which calls for passing an order of interim injunction restraining the defendant-company which is yet to commence its business from utilising the name of 'Mahendra' or 'Mahendra & Mahendra' for the purpose of its trade and business. Therefore, the Division Bench of the High Court cannot be faulted for confirming the order of injunction passed by the learned single Judge.”

36. The evidence filed by the plaintiff has gone unrebutted as no cross-examination of the plaintiff's witness was carried out, therefore, the statements made by the plaintiff are accepted as correct deposition.

37. Under these facts and circumstances, this Court is of the view that the plaintiff is entitled for a decree of permanent injunction in terms of prayer in para 22 clauses (a) and (b) of the plaint.

38. As regards the prayer for damages, this Court is of the considered view that since the mark NARULA was used by the defendants as being its surname, benefit can be given to him. Accordingly, the prayer (d) as regards the damages as well as other prayers, i.e. (c), (e) and (f) are rejected.

39. The suit of the plaintiff is accordingly decreed. A decree be drawn accordingly.

40. Pending application also stands disposed of.

**(MANMOHAN SINGH)**  
**JUDGE**

**OCTOBER 09, 2014**