

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

Judgment reserved on: 17.12.2013

% **Judgment delivered on: 10.01.2014**

+ **CS(OS) 1069/2008 and I.A. No. 8638/2008**

ORIENTAL CUISINES PRIVATE LTD. Plaintiff
Through: Mr. H.P. Singh & Mr. Navroop Singh,
Advocates.

versus

STAR RESTAURANTS PRIVATE LTD. Defendant
Through:

CORAM:
HON'BLE MR. JUSTICE VIPIN SANGHI

J U D G M E N T

VIPIN SANGHI, J.

1. The Plaintiff, Oriental Cuisines Private Limited, has filed the present suit alleging passing off and infringement of its trademark and copyright in the mark “THE NOODLE HOUSE” by the defendant, Star Restaurants Private Limited, and consequently seeking a decree of permanent injunction restraining the defendant, whether acting by itself or through its partners or proprietor, its officers, servants, agents and representatives from manufacturing and selling and offering for sale or supply, advertising, directly or indirectly dealing or rendering services in the hospitality industry or other related goods and services under the mark/ name “THE NOODLE HOUSE” and/or any other mark confusingly similar thereto, or any imitation

or variation thereof, amounting to an infringement and passing-off of the plaintiff company's trademark; using the mark "THE NOODLE HOUSE" and/or any deceptively similar name, from in any manner holding out an association of its products or business with that of the plaintiff and from doing acts as to pass off or likely to pass off the defendant's goods or business as those of the plaintiff.

2. The plaintiff also prays for a decree of mandatory injunction ordering the defendant, its partners or proprietor, their officers, servants, agents, representatives, distributors and assigns to hand over all products, packaging cartons, unfinished products, bill boards etc bearing the mark "THE NOODLE HOUSE" to the plaintiff. In addition, the plaintiff also prays for damages and costs of the suit.

3. The plaintiff is a private limited company incorporated under the Indian Companies Act, 1956 on 10.05.1994, having its registered office at Chennai. The plaintiff company is in the business of global specialty and hospitality management engaged in discovering, developing and commercializing food courts and popular food chains and restaurants serving a variety of cuisines. The present suit relates to the plaintiff's rights in the trademark "THE NOODLE HOUSE" which was adopted and introduced by the plaintiff company in December 2003 in respect of restaurants serving Indo-Chinese cuisine.

4. The defendant is a private limited concern in the business of hospitality and restaurant management. The plaintiffs allege that in May 2008, the plaintiff learnt of the proposed launch of the defendant's restaurant

“THE NOODLE HOUSE” at MGF Mall, Saket, Delhi proposing to offer the same cuisine as the plaintiff’s restaurant. In the aforesaid background, the plaintiff filed the present suit seeking the reliefs mentioned hereinabove.

5. Summons were issued in the suit vide order dated 30.05.2008 returnable on 11.07.2008. As service report was awaited, fresh summons were issued vide order dated 11.07.2008 returnable on 12.08.2008 on which date summons were again directed to be issued returnable on 12.09.2008. On 12.09.2008, service report was awaited and the matter was renotified for 19.11.2008. On 19.12.2008, the defendant was proceeded ex parte as despite being served with ‘Dasti’ summons on 22.10.2008, the defendant failed to put in an appearance and file its written statement. Order dated 19.12.2008 also allowed the plaintiff’s application under Order 39, Rule 1&2, Civil Procedure Code (CPC) and restrained the defendant from manufacturing, selling, offering for sale, advertising or rendering services in hospitality industry or other related goods and services under the trademark “THE NOODLE HOUSE” or any mark deceptively similar thereto amounting to infringement and passing off till the disposal of the suit. On 09.11.2009, notice was issued on the plaintiff’s application under Order 10, Rule 1 CPC for impleadment of Jumeirah Group LLC as defendant no.2. This application was dismissed as withdrawn vide order dated 16.07.2012 in view of a settlement arrived at in another suit being CS (OS) 1947/2008 between Jumeirah Group LLC and the plaintiff on 13.07.2012. A copy of the settlement agreement has been placed on record in these proceedings.

6. The plaintiff tendered its affidavit by way of evidence of Sh. Narendra Malhotra, Chief Executive Officer of the plaintiff company as PW-1. This

witness proved various documents on 14.03.2013 which are Ex. PW1/1 to PW1/9. The testimony of the plaintiff's witness has gone unrebutted and there is no reason not to accept the same. Some of the exhibited documents, which are considered relevant, shall be referred to hereinafter.

7. The first submission of learned counsel for the plaintiff is that the plaintiff company has developed and grown from a small restaurant in 1984 to a premier global specialty and hospitality management company in 1994 guided by Sh. M Mahadevan who has more than twenty years experience in the food and beverage industry and who was awarded the Best Entrepreneur Award by the Government of India, Tourism Department in 2001. Learned counsel submits that the plaintiff company employs more than 5000 people worldwide and operates in 86 commercial locations worldwide, has 62 affiliates and a world class Culinary Institute in Chennai with total revenue of Rs.130 million in the year ending 2007.

8. Learned counsel submits that the plaintiff company adopted the trademark "THE NOODLE HOUSE" in December 2003, which registration is pending, for restaurants serving Chinese cuisine and since then the trademark has emerged as the plaintiff company's most popular chain. Learned counsel submits that the trademark is a fanciful and invented combination of words and has come to be associated exclusively with the plaintiff's business. Learned counsel submits that the popularity of the plaintiff's trademark is evidenced by its net sales under the trademark for the year 2008, which amounted to Rupees Twenty Million. Learned counsel for the plaintiff submits that the unique feature about the restaurants under the trademark "THE NOODLE HOUSE" is that they bear a uniform look from

the exterior and interior and owing to its immense popularity, the plaintiff company has created a separate link on its website www.orientalgroup.in dedicated solely to the history of THE NOODLE HOUSE. Learned counsel submits that in order to encash upon the goodwill of the trademark, the plaintiff company has taken on lease a shop in SATYAM CINEPLEX, Nehru Place, Delhi in 2008 to open up a branch of the “THE NOODLE HOUSE”.

9. Learned counsel submits that the proposed launch of the defendant’s restaurant under the identical trademark is in a vicinity close by to the plaintiff’s location and for the same category of products and services as those of the plaintiff. Learned counsel submits that the use of the trademark “THE NOODLE HOUSE” by the defendant for identical services is with the intention to free ride on the plaintiff’s popularity.

10. Learned counsel submits that the mark of the defendant is identical to that of the plaintiff’s, and is likely to create an impression that the mark of the defendant is an extension of the plaintiff’s mark or is the outcome of a joint venture between the plaintiff and defendant. Learned counsel submits that the same is likely to cause confusion and will result in dilution of the plaintiff’s mark.

11. Though the registration of the plaintiff’s mark is still pending, the plaintiff can lay common law claim over its trademark and succeed in a suit for passing off if the plaintiff can establish prior use of the trademark. ***In Heinz Italia v. Dabur India Ltd.***, 2007 (6) SCC 1, the Court while relying upon the decision in ***Century Traders Vs. Roshan Lal Duggal***, AIR 1978

Delhi 250 observed that the prior user of trade mark has been held to be sufficient to entitle the aggrieved part to secure an injunction even when in absence of any registered trade mark.

12. The mark “THE NOODLE HOUSE” was adopted by the plaintiff as far back as in 2003 i.e. significantly prior to the use of the impugned mark by the defendant. The plaintiff has filed on record an additional representation made by it before the trademarks office marked as Ex. PW1/2 which records the date of user by the plaintiff as 07.12.2003. The application further records that the trademark is sought to be registered in Class 42 and in respect of a Chinese restaurant. The plaintiff has filed on record original sales invoices issues by several of its restaurants in Chennai under the mark “THE NOODLE HOUSE” from 2003 onwards. These invoices have been exhibited as PW 1/6. The plaintiff has also placed on record a copy of its year wise turnover under the trademark “THE NOODLE HOUSE” from 2003-2007 marked as Ex PW1/5. These exhibited documents are sufficient to establish that the plaintiff has been continuously using the trademark since the year 2003 onwards.

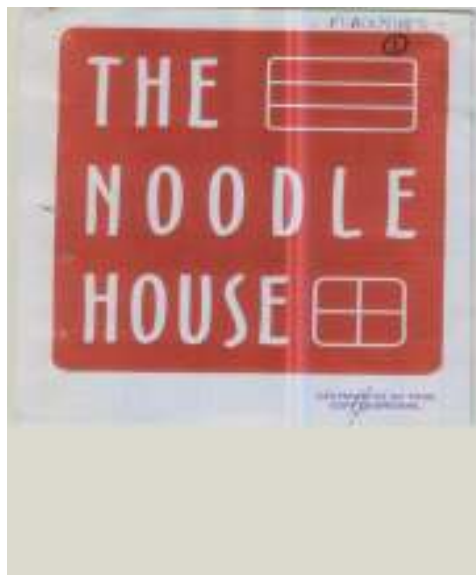
13. In ***Cadila Health Care Ltd. Vs. Cadila Pharmaceuticals Ltd.***, 2001 (2) SCR 743, in Paragraph 10 the Court observed-

“As per Lord Diplock in Erwen Warnink BV Vs. J Townend & Sons 1979(2) AER 927, the modern tort of passing off has five elements i.e. (1) a misrepresentation (2) made by a trader in the course of trade, (3) to prospective customers of his or ultimate consumers of goods or services supplied by him, (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence) and (5) which causes actual damage to a business or goodwill

of the trader by whom the action is brought or (in a quia timet action) will probably do so.”

14. A perusal of the label mark of the plaintiff and the defendant marked as Ex. PW 1/2 and PW1/3 leave no room for doubt that the use of the impugned mark by the defendant is likely to cause confusion and mislead the public into believing that the services of the defendant are associated with the plaintiff. The same are as follows:

Mark of the Plaintiff -



Mark of the Defendant-



15. The label mark of the plaintiff consists of the words “THE NOODLE HOUSE”. As already mentioned hereinabove, the plaintiff uses the aforementioned trademark in respect of restaurants catering to Chinese cuisine. The impugned mark being used by the defendant contains the identical words “THE NOODLE HOUSE” alongwith 2 chopsticks with a string of noodle wrapped around and a bye line which reads “enjoy tasty

tangles”. A perusal of the defendant’s mark makes it clearly discernible that the defendant intends to use to impugned mark in respect of Chinese cuisine which is identical to the cuisine being offered by the plaintiff. The mark as well as goods offered being identical, the same is likely to confuse a consumer with imperfect memory.

16. Ex PW 1/8 is lease deed dated 20.02.2008 entered into by the plaintiff for acquiring on lease a commercial premises in South Delhi for the purpose of running a branch restaurant under the trademark. The defendant’s restaurant is also situated at a mall in South Delhi. Consequently, the use of the impugned mark by the defendant is likely to create confusion and is likely deceive people. There has been no explanation forthcoming from the defendant as to why the impugned mark was adopted by the defendant. It is hard to believe that the defendant – which is itself in the business of restaurant and hospitality management, would not have been aware of the plaintiff’s trademark and restaurant. It appears that the defendant adopted the impugned mark with malafide intention to free ride on the goodwill of the plaintiff. This act of the defendant is likely to dilute the mark of the plaintiff and lead to loss of goodwill. Furthermore, the plaintiff risks losing reputation if the defendant does not uphold the standard of service as offered by the plaintiff as a consumer is likely to be deceived into believing that the goods offered by the defendant actually belong to the plaintiff.

17. In my view, the aforementioned ingredients for passing off as laid down in *Cadila Health Care* (supra) stand satisfied in this case. The mark and goods being identical, the suit deserves to be decreed in favour of the plaintiff to the extent of grant of Permanent Injunction.

18. As regards the quantum of damages, though the plaintiff needn't prove actual damages suffered by him, it is imperative that the Court while awarding damages considers the averments made in the plaint coupled with an assessment of the extent of damage likely caused or to be caused. The plaintiff avers that it found out about the proposed launch of the defendant's restaurant in May 2008. This Court vide order dated 19.12.2008 granted an *exparte* injunction in favour of the plaintiff and restrained the defendant from using the mark "THE NOODLE HOUSE". Keeping in view the short duration between the filing of the suit and grant of injunction, in addition to the fact that the plaintiff has not placed anything on record to establish whether the defendant's restaurant was launched at all, this Court is not inclined to award damages.

19. Accordingly, the suit is decreed in terms of prayers (i) (a) and (i)(b). The plaintiff is also entitled to costs of the suit.

(VIPIN SANGHI)
JUDGE

JANUARY 10, 2014