

Original Application Nos.791 and 792 of 2014**in****C.S.No.645 of 2014****R.SUBBIAH, J.**

The application in O.A.No.791 of 2014 has been filed to grant an ad-interim injunction restraining the respondent, its men, servants, agents, distributors, stockists, successors in business, retailers, legal representatives, assigns or any other person claiming through or under them from in any manner using or otherwise dealing with the trademark / trade name MALGUDI amounting to infringement of the applicant's registered trademark MALGUDI or in any other manner whatsoever, pending disposal of the suit.

2. The application in O.A.No.792 of 2014 has been filed to grant an ad-interim injunction restraining the respondent, its men, servants, agents, distributors, stockists, successors in business, retailers, legal representatives, assigns or any other person claiming through or under them from in any manner using, selling, offering for sale, advertising or otherwise dealing with the trademark / trade name MALGUDI and thereby passing off their products or services as

and for the products or services of the applicant or in any other manner whatsoever, pending disposal of the suit.

3. The applicant is the plaintiff in the suit C.S.No.645 of 2014 and the respondent is the defendant.

4. For the sake of convenience, the parties will be referred to as per their ranking in the civil suit.

5. The case of the plaintiff, in brief, is as follows:-

(a) The plaintiff is in the hospitality industry and is running hotels and other catering industries. In the course of its business, the plaintiff adopted *inter alia* the trademark MALGUDI in the year 1990. Thereafter, the plaintiff entered into a franchise agreement with M/s.Savera Hotels Limited for the use of the mark MALGUDI. The franchise's flagship hotel, Hotel Savera is very famous and popular all over India and is a well known landmark in the City of Chennai.

(b) The plaintiff is the registered proprietor of the trademark MALGUDI under No.523813 in Class 29 and under No.523814 in Class

30 of the Trademarks Act, 1999. The said registrations are dated 2.2.1990 and are valid from the said date. Both the registrations were renewed from time to time and are currently valid and subsisting. The plaintiff has also applied for registration of the mark MALGUDI in Class 42 under No.1261320. The said application has been advertised in the Trademark Journal as early as in the year 2005 and the period for opposition has also lapsed. But, there was no opposition for registration of the mark MALGUDI by the plaintiff in Class 42. In view of the same, the said application has been accepted by the Trademarks Registry and only the Certificate of Registration has to be given by the said authority. Therefore, the plaintiff is entitled to the exclusive right of the use of the trademark and to obtain relief in respect of infringement of the trademarks by any other person by the rights conferred under the Act.

(c) The plaintiff is also the registered proprietor of the copyright in the artistic work MALGUDI under No.A-71898/2005. The said artistic work was commissioned by and created for the plaintiff by an advertising agency under a contract for service. Therefore, the plaintiff is the owner and exclusive proprietor of the copyright in the

artistic work MALGUDI. The said copyright registration is valid and subsisting.

(d) The trademark / trade name MALGUDI is associated exclusively with the plaintiff and its high quality restaurants which offers excellent quality of food and beverages. The plaintiff has also spent substantial sums of money every year towards advertisement and sale promotion activities of their restaurants under the trademark/ trade name MALGUDI. By virtue of long, extensive and continuous use, the trademark / trade name MALGUDI has acquired a secondary meaning and is identified by the public at large exclusively with their clients exclusive South Indian restaurant offering a wide range of vegetarian and non-vegetarian specialities. The plaintiff operates restaurants with the trademark / trade name MALGUDI at Chennai, outer Chennai and Bangalore.

(e) While so, the plaintiff came to know that the defendant is running a restaurant under the trademark / trade name MALGUDI in Bangalore. The defendant's use of identical trademark / trade name MALGUDI for identical business viz., restaurants, amounts to infringement of the plaintiff's exclusive right vested in them by virtue

of registration. The defendant's usage of identical trademark / trade name MALGUDI would confuse and / or deceive the patrons of the plaintiff and also other members of public, who have knowledge of the plaintiff's restaurant under the trademark / trade name MALGUDI and its reputation and goodwill will be eroded. The plaintiff also came to understand that the interior and the overall atmosphere of the defendant's restaurant were comparatively of lower standard than that of the plaintiff. In view of the same, the hard earned reputation of the plaintiff's restaurant under the trademark / trade name MALGUDI would be debased and diluted. Hence, the plaintiff with a view to settle the matter, caused a legal notice to the defendant on 20.12.2013 and the said notice was received by the defendant and the defendant, through their counsel, sent a holding reply dated 27.12.2013 by denying all the contentions in the said notice. Subsequently, on 9.1.2014, the defendant issued another reply, wherein they refused to consider the registration in favour of the plaintiff and deliberately contended that they would continue to use the mark MALGUDI as part of their business. Hence, again the plaintiff issued a reply dated 5.2.2014 reiterating the facts and requesting the defendant to cease and desist from using the mark MALGUDI. But, again, the defendant refused to stop using the mark MALGUDI

irrespective of the registration in favour of the plaintiff, by reply dated 17.2.2014. Apart from refusing to cease and desist from using the mark MALGUDI, the defendant had also stated that they were preparing to launch more restaurants in various airports in India under the identical mark MALGUDI.

(f) The plaintiff is using the trademark / trade name MALGUDI from the year 1990 openly and continuously. They are having restaurants in Chennai, Bangalore, Hyderabad, Dubai and USA. In fact, only the plaintiff has suffered and is likely to suffer substantial loss in their sales in view of the defendant's illegal activities. Hence, the plaintiff has filed the present suit for the following reliefs:-

(i) For permanent injunction restraining the defendant, its men, servants, agents, distributors, stockists, successors in business, retailers, legal representatives, assigns or any other person claiming through or under them from in any manner using or otherwise dealing with the trademark / trade name MALGUDI amounting to infringement of the plaintiff's

registered trademark MALGUDI or in any other manner whatsoever;

(ii) For permanent injunction restraining the defendant, its men, servants, agents, distributors, stockists, successors in business, retailers, legal representatives, assigns or any other person claiming through or under them from in any manner using, selling, offering for sale, advertising or otherwise dealing with the trademark / trade name MALGUDI and thereby passing off their products or services as and for the products or services of the plaintiff or in any other manner whatsoever;

(iii) The defendant be ordered to pay to the plaintiff a sum of Rs.10,00,000/- as damages for committing infringement of trademarks and passing off its products and for the plaintiff's products or services;

(iv) The defendant be ordered to surrender to the plaintiff for destruction, name boards, invoices/bills,

prints, dies, blocks, moulds and plates, screen prints, packing and advertising material and any other material in the defendant's possession, which bears the trademark / trade name MALGUDI.

(v) A preliminary decree be passed in favour of the plaintiff directing the defendant to render account of profits made by use of the identical trademark / trade name MALGUDI amounting to infringement of the plaintiff's registered trademarks and / or passing off and a final decree be passed in favour of the plaintiff for the amount of profits thus found to have been made by the defendant after the latter have rendered accounts;

6. Pending suit, the plaintiff has filed the present applications for interim injunction and this Court by order dated 10.10.2014, issued notice to the defendant.

7. On appearance, the defendant has filed counter, which contains the following facts:-

(a) The present suit filed by the plaintiff is not maintainable. No cause of action arose within the jurisdiction of this Court. The defendant has its registered office at Bangalore and carries on business under the Trademarks MALGUDI EXPRESS and MALGUDI TIFFIN CENTRE. The plaintiff has filed the present suit only to harass the defendant and to incur heavy costs to the defendant.

(b) The defendant was incorporated on 7.12.2006 and their registered office is at Bangalore. The defendant is a subsidiary of two renowned foreign companies viz., Host International Inc. and HMS Host International Inc., which are the subsidiaries of the famous HMS Host Corporation, USA. The company has been recognised as one of the industry leaders that creates innovative dining locations at airports and motorways, across the world. The company is known for its terminal development service that includes planning to brand relations, custom brand creation, design, training, supplier systems, safety and security programs.

(c) The company and their affiliates have acquired a formidable global reputation expanded across several countries, due to its credibility and the remarkable services that they offer. The defendant

with the attached reputation and resources of the company, is known for its creative and unique designing of new commercial concepts and partners with the brands that are most innovative and in line with the increasingly diversified needs of their customer. One such brand conceptualised and developed by the defendant is MALGUDI EXPRESS and MALGUDI TIFFIN CENTRE, which primarily offers restaurant services and caters mainly to travellers who use airports. Both the brand names MALGUDI EXPRESS and MALGUDI TIFFIN CENTRE have been created in such a manner so as to be unique and distinct in font and style and in a manner using different colour schemes. The defendant has also filed applications for registration of both the trademarks MALGUDI EXPRESS and MALGUDI TIFFIN CENTRE in Class 43 bearing application Nos.2592928 and 2592927 respectively with the Trademarks Registry, India. The defendant has also been creating several unique and distinct brands in India, which includes Taste of India, Indian Paradise and has been protecting their intellectual property rights.

(d) Due to unique ambience and the variety of selections available in the menu offered by it, the defendant's MALGUDI EXPRESS and MALGUDI TIFFIN CENTRE have almost immediately gained

reputation and goodwill among the travellers and customers. The defendant has been using the marks honestly and concurrently since 9.2.2014 in relation to the services offered and has therefore, gained repute among the customers. The name MALGUDI was invented by the renowned Indian Author Padmavibhushan Shri R.K.Narayan, as a fictitious town in his award winning book title MALGUDI DAYS and further used in most of his other literary works. The plaintiff's claim of use of the mark since 1990 is unsubstantiated and the plaintiff is put to strict proof of the same. It is incorrect to state that the name MALGUDI is associated with the plaintiff and their high quality restaurants.

(e) The plaintiff's mark, that is being used, is entirely different from the defendant's mark. Therefore, that would not cause any confusion or deception among the public. Since the mark MALGUDI has already been diluted, the plaintiff's claim that their mark would get diluted because the public would mistakenly assume that the defendant's restaurant services is in some way connected to the plaintiff's, is absurd and illogical. Thus, they sought for the dismissal of the applications.

8. I have heard the submissions made by the learned counsel appearing for the plaintiff and the learned senior counsel appearing for the defendant and perused the entire materials available on record.

9. It is the case of the plaintiff that they are the proprietors of registered trademark MALGUDI under No.523813 in Class 29 and under No.523814 in Class 30 of the Trademarks Act, 1999. They are using the said trademark right from the year 1990. The said trademark is associated exclusively with the plaintiff and their high quality restaurants. They are running their restaurants under the trademark / trade name MALGUDI, whereas the defendant is also trading their business with the identical trademark / trade name MALGUDI. Learned counsel appearing for the plaintiff submitted that prior to 1999, there is no provision under the Trademarks Act for registration of a trademark in relation to service sector. Hence, the mark MALGUDI was registered under classes 29 and 30, which dealt with the ingredients and commodities used in the process of cooking. In this regard, learned counsel appearing for the plaintiff has invited the attention of this Court to the certificates issued by the Registrar of

Trademarks under classes 29 and 30. He has also invited the attention of this Court to the certificate issued by the Deputy Registrar of Copyrights dated 2.5.2005 and submitted that the plaintiff has also registered the artistic work MALGUDI under A.71898/2005. Thus, the plaintiff has been using the trademark / trade name MALGUDI since 1990. Thus, by long, extensive and continuous use, the trademark / trade name MALGUDI acquired a secondary meaning. Now, the plaintiff has also filed an application for registration of service mark under class 42 of Trade Marks in application No.1261320. The said application has been advertised in the Trade Marks Journal as early as in the year 2005. The period stipulated under the statute for opposition of registration of the trademark MALGUDI by the plaintiff has also lapsed and as such, the said application has been accepted by the Trade Marks Registry and the plaintiff is waiting for the issuance of certificate in respect of the service they are providing. In this regard, learned counsel has also drawn the attention of this Court to the advertisement given by the plaintiff in various newspapers in respect of their restaurant MALGUDI and submitted that the plaintiff is having restaurants at Bangalore, Hyderabad, Chennai and outer Chennai with the trademark / tradename MALGUDI. Hence, the defendant's usage of identical trademark / trade name MALGUDI for identical business

viz., restaurants amounts to infringement of the plaintiff's exclusive rights vested in them by virtue of the registration. Therefore, the defendant is liable to be enjoined.

10. Further, learned counsel appearing for the plaintiff submitted that the application filed by the defendant for registration of the trademark / trade name MALGUDI is under objection by the Registrar of Trademarks, Chennai. In this regard, learned counsel appearing for the plaintiff has also invited the attention of this Court to the Examination Report of the Trademark Registry for the defendant's application Nos.2592927 and 2592928 and submitted that since the defendant is using the identical mark of the plaintiff for the identical service, the plaintiff is entitled for interim injunction. In support of his contention, learned counsel appearing for the plaintiff has relied on the following judgments:-

(i) MANU/TN/2002/2012 : 2013 (54) PTC 406 (Mad) - Shyam Investments v. Masti Health and Beauty Pvt. Ltd.

(ii) 2005 (31) PTC 502 (Mad.) - Gangotree Sweets and Snacks Pvt. Ltd., Chennai v. Shree Gangotree Sweets, Snacks &

Savouries, Trichy.

(iii) 2011 (4) CTC 417 - Blue Hill Logistics Pvt. Ltd., v. Ashok Layland Limited.

(iv) (2005) 3 Supreme Court Cases 63 - Dhariwal Industries Ltd. and another v. M.S.S.Food Products.

(v) AIR 1978 DELHI 250 - Century Traders v. Roshan Lal Duggar & Co, and others.

(vi) (2002) 3 Supreme Court Cases 65 - Laxmikant V.Patel v. Chetanbhai Shah and another.

(vii) (2004) 3 Supreme Court Cases 90 - Midas Hygiene Industries (P) Ltd. and another v. Sudhir Bhatia and others.

(viii) AIR 1960 Supreme Court 142 - Corn Products Refining Co., v. Shangrila Food Products Ltd.

(ix) 2009 (41) PTC 374 (Bom) - Glenmark Pharmaceuticals

Ltd. v. Bal Pharma Ltd. & Anr.

(x) MANU/DE/0209/1999 - Indian Shaving Products Ltd. & Anr. v. Gift Pack & Anr.

11. Per contra, learned senior counsel appearing for the defendant submitted that the plaintiff has registered the trademark only under classes 29 and 30, which deals only with the ingredients and commodities used in the process of cooking, but the application filed by the plaintiff under clause 42 for registration of the trademark for services they are providing, is still pending with the Registrar of Trademarks. Insofar as the present case is concerned, the defendant is using the mark MALGUDI by adding suffix viz., MALGUDI "TIFFIN CENTRE" and MALGUDI "EXPRESS". Therefore, the said mark cannot be said to be an identical mark with the mark which the plaintiff has been using, though it may be similar. Unless the mark is registered for the service the plaintiff is providing, the defendant cannot be enjoined for the alleged infringement. Further, the mark MALGUDI is also not a well known mark as defined under Section 2(zg) of the Trademarks Act, 1999. He has further submitted that the plaintiff is running a restaurant with the name of 'MALGUDI', only inside

M/s.Savera Hotels Limited. Though the plaintiff is claiming that he is running restaurants at Bangalore, Hyderabad and outer Chennai; out of the two restaurants in Bangalore, one of the restaurants has already been closed. Similarly, the plaintiff has also closed their restaurant at Hyderabad and another at Chennai. Therefore, at any cost, it cannot be said that the mark of the plaintiff viz., MALGUDI is a well known mark. Further, the word MALGUDI is not a coined word and it was invented by the renowned Indian author Padmavibhushan Shri R.K.Narayan in his book MALGUDI DAYS. Further, the said word MALGUDI was not rightly protected by the author as a trademark and it has got diluted and several entities in relation to various goods / services are using the name. In this regard, learned senior counsel, by inviting the attention of this Court to the pages downloaded from the website, submitted that one M/s.MALGUDI FOODS PVT. LTD., is using the name MALGUDI for their restaurant business at Mumbai. The said M/s.MALGUDI FOODS PVT. LTD. is running a chain of Hotles at Mumbai in the name of 'MALGUDI'. Therefore, it is clear that the word MALGUDI has been diluted. Hence, the plaintiff cannot claim exclusive right over the trademark 'MALGUDI'.

12. So far as passing off action is concerned, it is the

submission of the learned counsel for the plaintiff that since the word MALGUDI is not a coined word, there cannot be any legal bar for using the word 'MALGUDI' by others by adding prefix or suffix. In the instant case, the defendant is running the restaurant in the name of 'MALGUDI TIFFEN CENTRE and MALGUDI EXPRESS. The added matter 'TIFFEN CENTRE' and 'EXPRESS' are sufficient to distinguish the defendant's restaurant from the restaurant of the plaintiff. By adding suffix along with the trade name of the plaintiff, the defendant can escape from the liability of passing off. Therefore, the prayer for passing off is also liable to be dismissed. In this regard, learned senior counsel has relied upon the following judgments:-

(i) MANU/TN/0507/2014 - A.D.Padmasingh Isaac and Anr. v. Aachi Aappakadai Chettinad.

(ii) MANU/SC/0583/1996 : AIR 1996 SC 2275 - Vishnudas Trading as Vishnudas Kishandas v. Vazir Sultan Tobacco Co. Ltd, Hyderabad and another.

(iii) MANU/DE/0371/1987 : AIR 1987 Delhi 353 - Hindustan Radiators Co. v. Hindustan Radiators Ltd.

(iv) **MANU/TN/2002/2012 : 2013 (54) PTC 406 (Mad) - Shyam Investments v. Masti Health and Beauty Pvt. Ltd.**

(v) **MANU/MH/0313/2007 : 2007 (4) BomCR 48 - Balkrishna Hatcheries v. Nandos International Ltd. and Anr.**

13. In view of the submissions made by the learned counsels on either side, the only question that falls for consideration is__

Whether a prima facie case has been made out by the plaintiff and whether the balance of convenience is in favour of the plaintiff for granting interim injunction in their favour, pending disposal of the suit?

14. It is the main submission of the learned counsel for the plaintiff that the plaintiff is using the trade mark 'MALGUDI' since 1990. They have registered the trade mark 'MALGUDI' in the year 1990 itself under Class 29 and Class 30 of Trademarks Act. Their application for registration of trademark under class 42 is pending under the Trademarks Act, 1999. In fact, their application filed under Class 42 was accepted by the Registry of Trade Marks. But, the reply

of the learned senior counsel appearing for the defendant to the case of the plaintiff, is on two folds viz.,:-

(i) The plaintiff has registered the trade mark MALGUDI only under class 29 and class 30 of Trade Marks Act, which dealt with the ingredients and commodities used in the process of cooking and their application under No.1261320 for registration of mark MALGUDI in class 42, which deals about trade mark for the service the plaintiff is providing, is still pending before the Registrar of Trademarks. Unless and until the trade mark is registered under Class 42, the defendant cannot be enjoined on the ground of infringement.

(ii)The word MALGUDI is not a coined word and it was invented by the renowned Indian Author Padmavibhushan Shri R.K.Narayan in his book MALGUDI DAYS. Since the word is not a coined word, by adding prefix or suffix, the defendant can use the said word. Adding prefix or suffix would suffice to escape from the liability of passing off, since the action of passing off is

only a common law remedy.

15. With regard to the first ground, it is the submission of the learned senior counsel appearing for the defendant that since the word MALGUDI was registered only under class 29 and class 30 of the Trade Marks Act, and not under class 42 so far, the plaintiff is not entitled for interim injunction on the ground of infringement. In this regard, he has also invited the attention of this Court to Section 29 of the Trade Marks Act, 1999 and submitted that only if the identity of the registered marks and the identify of the goods or services are one and the same, the plaintiff is entitled for interim injunction. In the present case, since the word MALGUDI was not registered under class 42 of the Trade Marks Act till date, the prayer of the plaintiff for injunction on the ground of infringement is not legally sustainable. But, it is the submission of the learned counsel appearing for the plaintiff that prior to 1999, there is no provision to register the Trade mark for the service provided by a person. Hence, the mark MALGUDI was registered under class 29 and class 30 of the Trade Marks Act, 1999, which deals with the ingredients and commodities used in the process of cooking. Further, now the application under class 42 for registration of the trademark / trade name MALGUDI has been accepted by the

Assistant Registrar of Trademarks and the plaintiff is waiting for the issuance of the certificate by the Registrar of Trade Marks. Thus, the learned counsel for the plaintiff submitted that there can not be any legal bar for granting injunction in favour of the plaintiff. But, in my considered opinion, since the plaintiff has registered the mark 'MALGUDI' as early as in the year 1990 under class 29 and class 30 in respect of the ingredients and commodities used in the process of cooking, *the question as to whether the said mark is registered under Class 42 of the Trade Marks Act or not* is only a secondary consideration in the background of this case. Furthermore, it is admitted case that the defendant is also selling only the food items by running restaurants in the name of MALGUDI EXPRESS and MALGUDI TIFFIN CENTRE. Moreover, the application filed by the plaintiff in Class 42 was accepted by the Registrar of Trademarks. Therefore, certainly the defendant is not entailed to use the trade mark of the plaintiff viz., MALGUDI for running the restaurant. Furthermore, once the certificate is issued by the Registrar of Trademarks, the registration would take effect from the date of application. Hence, considering all these aspects, I am not inclined to accept the submission made by the learned senior counsel for the defendant that the plaintiff is not entitled for injunction for the act of infringement.

16. Further more, as observed above, the plaintiff as well as the defendant are selling only the food items in their restaurants, by having the name 'MALGUDI' and the business of the plaintiff and the defendant can not be demarcated from each other. Under such a situation, the defendant is not entitled to use the name MALGUDI for the identical business, when the plaintiff has already registered the trademark and has been using the same for the past 25 years. Further, the plaintiff is entitled for protection of the said mark since trademark has been registered and used by them since 1990. In this regard, a reference could be placed in the judgment, which was relied upon by both the counsel on either, reported in **2013(54) PTC 406 (Mad) [Shyam Investments Vs. Masti Health and Beauty Pvt Ltd]**, wherein it has been held as follows_

"19..... No doubt, the goods registered under classes 5 and 28 are not connected with the services rendered by the respondent in Spa and Salon or for conducting the health club as detailed in the advertisement. Those goods are not predominantly used in the services of Spa and Salon. Therefore, the registration of the trademark 'O2' as in classes 5 and 28 cannot be invoked for granting protection under Section 29(4) of the Act, in the light of the aforesaid judgment.

20. The case of the plaintiff is that the services rendered by the plaintiff's concern through its 'O2 Health

'Studio' is being adopted by the defendant under the name and style of 'O2 Spa'. Even the services as described in the advertisement made on behalf of 'O2 Health Studio' as found in pages 100 to 109 are similar to that of the advertisement given by the defendant produced in pages 110 to 113. According to the defendant, he is doing Spa and Salon services at his Centre. Therefore, I could see that both the services are similar. The adoption of the mark 'O2 Spa' is identical except the addition of the word Salon.

21. Now considering the applicability of Section 29(4) of the Act, we have already found that the services rendered by the plaintiff as well as the defendant are similar and identical. In the said circumstances, whether the pending registration of 'O2 Health Studio' before the registering authority would be sufficient to grant interim injunction is the question.

22. It is the argument of the learned counsel for the applicant/plaintiff that even though the mark 'O2 Health Studio' has been applied for registration and it is yet to be registered, the passing off action can be injuncted, since the plaintiff is the prior user of the trade mark 'O2' and the defendant did not adopt the use of trademark 'O2 Spa' and he ought to have verified about the prior use of the said trade mark and he would not have adopted to use the same. Quoting the judgment of the Delhi High Court reported in AIR 1978 Delhi 250 (Century Traders ..vs.. Roshan Lal Duggar & Co.), it was argued by the learned counsel for the applicant that the provisions of Section 27(2) would squarely apply coupled with Section 135 of the Act and the plaintiff is entitled for interim injunction in respect of passing of action against the defendant. The relevant passage would run as follows:-

"12. In the Consolidated Foods Corporation v. Brandon and Co. Private Ltd., AIR 1965 Bom 35, it was observed that:

" A trader acquires a right of property, in a distinctive mark merely by using it upon or in connection with his goods irrespective of the length of such user and the extent of his trade. The trader who adopts such a mark is entitled to protection directly the article having assumed a vendible character is launched upon the market. Registration under the statute does not confer any new right to the mark claimed or any greater rights than what already existed at common law and at equity without registration. It does, however, facilitate a remedy which may be enforced and obtained throughout the State and it established the record of facts affecting the right to the mark. Registration itself does not create a trade mark. The trade mark exists independently of the registration which merely affords further protection under the Statute. Common law rights are left wholly unaffected. Priority in adoption and use of a trademark is superior to priority in registration.

.....

14. Thus, the law is pretty well settled that in order to succeed at this stage the appellant had to establish user

of the aforesaid mark prior in point of time than the impugned user by the respondents. The registration of the said mark or similar mark prior in point of time to user by the appellant is irrelevant in an action for passing off and the mere presence of the mark in the register maintained by the trade mark registry did not prove its user by the persons in whose names the mark was registered and was irrelevant for the purposes of deciding the application for interim injunction unless evidence had been led or was available of user of the registered trade marks."

The aforesaid dictum laid down by the Delhi High Court was based on Sections 27 and 106 of the old Act, namely, The Trade and Merchandise Marks Act, 1958. Those Sections are now equivalent to Sections 27 and 135 of the Trade Marks Act, 1999. It is clear that the search reports were obtained by the defendant only after the filing of the suit. It was not shown to the Court that such search reports were obtained in an earlier point of time before the use of the mark 'O2 Spa' in the year 2010 and therefore, the provisions of Section 135 of the Act would apply in favour of the applicant. Coupled with the provisions of Section 27(2) and Section 135(3)(c) of the Act, I could see that the applicant / plaintiff has shown a *prima facie* case for curbing the passing off action.

23. Furthermore, according to Section 27 of the Trade Marks Act, 1999, the prevention and recovery of damages regarding the infringement of an unregistered trade mark is not possible. However, the right of action against passing off goods or services is exempted from the purview of the said

provisions and the common law right is applicable. For better appreciation, Section 27 of the Trademarks Act, 1999 is extracted hereunder:-

"27. No action for infringement of unregistered trade mark :-

(1) No person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trademark.

(2) Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods or services as the goods of another person or as services provided by another person, or the remedies in respect thereof.

Objects and Reasons # Clause 27 # This clause provides that no infringement action will lie in respect of an unregistered trade mark, but recognises the common law rights of the trade mark owner to take action against any person for passing off goods as the goods of another person or as services provided by any another person or the remedies thereof. The clause thus retains the existing provision of Section 27 in this respect, with the addition of services.

24. In view of the discussions held above, I am of the view that the injunction sought for by the plaintiff from infringement of the trademark held by him for the goods and services in classes 5, 28 and 42 are not available to the plaintiff. There would be no *prima facie* case in respect of the infringement of the trademark of the plaintiff. However, the passing off services in the name of 'O2 Spa' can be prevented under common law right since the plaintiff was *prima facie* found to be a prior user of 'O2 Health Studio' as per the documents produced in the typed set. Therefore, I

could see that the passing off relief as sought for by the plaintiff towards interim injunction can be sustained. No doubt, it is true that the plaintiff was the prior user of the trademark 'O2' as well as the mark 'O2 Health Studio' and it is pending registration. In the said circumstances, the defendant being the subsequent user cannot do the services and if it is done, it is amounting to passing off the services similar to that of the plaintiff and therefore, the interim injunction regarding passing off can be granted in favour of the plaintiff. In case of non-granting of injunction, certainly the plaintiff will be put in irreparable loss since the damages likely to have caused through passing off would be immeasurable.”

The dictum laid down in the above said judgment supports only the case of the plaintiff. A reading of the dictum laid down in the above said judgment would show that since the plaintiff is a prior user of the trademark, the defendant ought to have verified the prior user of the trademark in the Register in the Office of Registrar of Trademarks and the defendant ought not to have adopted the same trademark which the plaintiff is using for the identical business. In the instant case, the plaintiff has established though documentary evidence that they have been using the word MALGUDI since 1990. Hence, even assuming for a moment that if the trademark is not registered, the plaintiff is entitled for injunction on the ground of passing off. Furthermore, in the present case, I find that the plaintiff has registered the trademark MALGUDI as early as in the year 1990 for the ingredients and

commodities used in the process of cooking in their restaurants. The application filed by the plaintiff for registration of the mark under Class 42 under the Trademarks Act was also accepted by the Registrar of Trademarks without any opposition. Hence, the plaintiff is entitled for injunction not only on the ground of passing off, but also for infringement.

17. It is the next fold of submission of the learned senior counsel for the defendant that the word MALGUDI is not a coined word and it was invented by the renowned Indian Author Padmavibhushan Shri R.K.Narayan in his book MALGUDI DAYS. The action of passing off is only a common law remedy. Since the word MALGUDI is not a coined word, by adding prefix or suffix, the defendant is entitled to use the said word and the defendant can escape from the liability of passing off by adding the prefix or suffix in the word MALGUDI. Therefore, the suffix MALGUDI "EXPRESS" and MALGUDI "TIFFIN CENTRE" would distinguish the products of the defendant from that of the plaintiff; in other words, the added matter "EXPRESS" and "TIFFIN CENTRE" would be sufficient to distinguish the defendant's products from that of the plaintiff. Therefore, the defendant can escape from the liability of passing off goods as that of the plaintiff. In support of this contention,

the learned senior counsel of the defendant has also relied upon number of judgments.

18. But, I find that the cases relied upon by the learned senior counsel for the defendant, related to a common or generic word. In the instant case, so far as the word MALGUDI is concerned, it is not a common word and furthermore, the same word is in no way connected with the restaurant business. The said word was invented by the renowned Indian Author Padmavibhushan Shri R.K.Narayan in his book MALGUDI DAYS. In fact, the plaintiff in their lawyer's notice dated 20.12.2013 has stated as follows__

"2. MALGUDI is a fictitious village created by eminent author Mr.R.K.Narayanan. Our clients have obtained consent from Mr.R.K.Narayan for use of the mark MALGUDI in respect of restaurants, food articles and beverages. Our clients have the long and acclaimed use of the mark MALGUDI in relation to its restaurants, food articles and beverages. By virtue of long, extensive, continuous use, the mark MALGUDI has acquired a secondary meaning and is identified by the public at large exclusively with our clients' exclusive South Indian restaurant offering a wide range of vegetarian and non-vegetarian specialities from

four southern states including the Chettinad, Mangalore, Mappla, Hyderabadi cuisines from south. The mark MALGUDI has acquired enviable reputation and goodwill amongst customers and food connoisseurs with our clients' restaurants, food articles and beverages. Our clients operate MALGUDI restaurants at Chennai, outer Chennai, Bangalore and Hyderabad. MALGUDI restaurants bring together the culinary tradition in a setting that takes you to the royal and gracious era of historic opulence to indulge in the many splendour feasts of the Mharajas."

19.The learned counsel for the plaintiff has also submitted that they have obtained the permission to use the word MALGUDI in their hotel business from the author Mr.R.K.Narayanan, since 1990. In this regard, the learned counsel for the plaintiff has also produced the *extract from the visitor's book of the plaintiff*, wherein Mr.R.K.Narayanan has made an endorsement as follows_

"You have fulfilled my expectations of
Malgudi, which I invented in September-1939."

Therefore, I am of the opinion, the word MALGUDI, which was

invented by the author Mr.R.K.Narayanan, is an arbitrary word and not associated with the restaurant business. If a word is a common or generic word, no doubt, the defendant is entitled to use the same by adding suffix or prefix. But, since it is an arbitrary word, as the plaintiff has been using the same for several years, the defendant is not entitled to use the same, even by adding suffix or prefix in the identical business. In this regard, a reference could be placed in the judgment relied upon by the learned counsel for the plaintiff reported in **2005(31) PTC 502 (Mad) [Gangotree Sweets and Snacks Pvt. Ltd. Vs. Shree Gangotree Sweets, Snacks]**, wherein it has been held as follows__

"19.The fact that the respondent-defendant is carrying on its business in sweets, savouries and chats under the name and style of "Shree Gangotree" is not in dispute. According to the respondent-defendant, merely because the applicant-plaintiff has got its registered trade mark as "Gangotree" with the emblem attached to it that by itself would not any way affect the rights of the applicant-plaintiff from doing the very same business in sweets, savouries and chats inasmuch as the word "Gangotree" being generic in nature, registration of it itself could not have been permitted and in any event, since the Certificate itself disclose that the word mark was not registered, there could be no exclusive right in the applicant-plaintiff for alleging any violation under the provisions of the Trade Marks Act, 1999.

.....

28.A reference to the above referred to decisions of the Hon'ble Supreme Court as well as that of the Division Bench of the Bombay High Court and the English decisions, succinctly brings out the position that even if a slightest doubt created in the minds of the

public at large by the deceptively use of a trade mark either in its name or other marks by any person other than the registered trade mark holder would by virtue of the provisions of the Trade Marks Act entitle the holder of the trade mark to seek for prevention of such infringement and passing off. Apparently, such a valuable right is created in favour of the holder of the trade mark, having regard to the long usage of such mark which enable the concerned trade mark holder to get such mark registered in its favour. It cannot be said that any infringement or passing off should be tested in the light of minute dissimilarities, on the other hand, the well settled position is, it should be tested in the light of broad similarities found in the person who had attempted such infringement and passing off of a registered trade mark.

29. With the above principles in mind, when the case on hand is analyzed, when the registration of the trade mark "Gangotree" with its emblem attached with it is not in dispute and its only disclaimer is the Swasthik mark, it will have to be held that the use of the word "Gangotree" in any form by the respondent-defendant would amount to the infringement of a statutory right of the trade mark user and similarly the business carried on by the respondent-defendant under the name and style of "Shree Gangotree" would certainly amount to passing off of the goods, namely, sweets, savouries and chats of that of the applicant-plaintiffs business under the name and style of "Gangotree". The respondent-defendant cannot be allowed to contend that mere use of the word "Gangotree" in its business place alongwith the word "Shree" no infringement has taken place. It is common ground that the business of both the parties is only on sweets, savouries, chats and other food items. In fact, the sample packages placed before the Court at the instance of the respondent-defendant disclose that both are in the business of sweets and chats. When the basic principles set out in "Kerly's Law of Trade Marks and Trade Names - Thirteenth Edition" namely, "the resemblance between two marks must be considered with reference to the ear as well as to the eye" is applied, it will have to be held in no uncertain terms that any customer, who intends to buy such special kind of sweets, savouries and chats, is bound to be well carried away by the name "Gangotree" used by the respondent-defendant for that of the applicant-plaintiff. It cannot be disputed

that the applicant-plaintiff has been the user of the name "Gangotree" for more than a decade. Therefore, it must have by now gained a set of its own customers in this particular area of business, namely, 'sweets, savouries and chats' and the respondent's venture which came to be started in the last quarter of 2004, is certainly bound to create atleast a fading impression as though its products are also that of applicant-plaintiff, by virtue of the use of the same name "Gangotree" for its business place as well as in its packages, etc."

20. In this regard, reference could be placed in one more decision reported in **AIR 1979 SC 1649 [Ruston and Hornby Ltd Vs. Zamindara Engineering Co.]** wherein it has been observed by the Hon'ble Supreme Court as follows__

"7. The two actions, however, are closely similar in some respects, As was observed by the Master of the Rolls in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at 161.

"The Statute- law relating to infringement of trade marks is. based on the same fundamental idea as the law relating to passing-off. But it differs from that law in two particulars, namely (1) it is concerned' only with one method of passing-off, namely, the use of a trade mark, and (2) the statutory protection is absolute in the sense that once a mark is shown to offend, the user of it cannot escape by showing that by something outside the actual mark itself he has distinguished his goods from those of the registered proprietor. Accordingly, in considering the question of infringement the Courts have held, and it is now expressly provided by the Trade Marks Act, 1938, section 4, that infringement takes place not merely by exact imitation but by the use of a mark so nearly resembling the registered mark as to be likely to deceive."

In an action for infringement where the defendant's trade mark is identical with the plaintiff's mark, the Court will not enquire whether the infringement is such as is likely to deceive or cause" confusion. But where the alleged infringement consists of using not the exact mark on the Register, but something similar to it,

the test of infringement is the same as in an action for passing off in other words, the test as to likelihood of confusion or deception arising from similarity of marks is the same both in infringement and passing off actions.

8. In the present case the High Court has found that there is a deceptive resemblance between the word "RUSTON" and the word "RUSTAM" and therefore the use of the bare word 'RUSTAM' constituted infringement of the plaintiff's trade mark "RUSTON". The respondent has not brought an appeal against the judgment of the High Court on this point and it is, therefore, not open to him to challenge that finding. If the respondent's trade mark is deceptively similar to that of the appellant the fact that the word 'INDIA' is added to the respondent's trade mark is of no consequence and the appellant is entitled to succeed in its action for infringement of its trade mark.

9. We are accordingly of the opinion that this appeal should be allowed and the appellant should be granted a decree restraining the respondents by a permanent injunction from infringing the plaintiff's trade mark "RUSTON" and from using it in connection with the engines machinery and accessories manufactured and sold by it under the trade mark of "RUSTAM INDIA". The appellant is also entitled to an injunction restraining the respondent and its agents from selling or advertising for sale of engines, machinery or accessories under the name of "RUSTAM" or "RUSTAM INDIA". The appellant is also granted a decree for nominal damages to the extent of Rs. 100/-. The appellant is further entitled to an order calling upon the respondent to deliver the appellant price-lists, bills, invoices and other advertising material bearing the mark "RUSTAM" or "RUSTAM INDIA". The appeal is allowed with costs to the above extent."

From the reading of the judgment, it could be seen that any infringement or passing off should not be tested in the light of minute similarities. When that being so, I am not inclined to accept the submission made by the learned counsel for the defendant that the added matter 'EXPRES' or 'TIFFIN CENTRE' would be sufficient to

distinguish the defendant's business from that of the plaintiff.

21.Though it is contended by the learned senior counsel for the defendant that the plaintiff has closed their restaurant in Banagalore and another one in Chennai, it is the reply of the learned counsel for the plaintiff that those restaurants were closed by the plaintiff only for purpose of renovation work. But, I am of the opinion that it is a matter of evidence and the same cannot be considered at this stage.

22.Apart from that, the learned senior counsel for the defendant, by inviting the attention of this Court to a website page downloaded from the internet, submitted that some of the third parties are also using the word MALGUDI for their restaurant business; hence, the defendant is also entitled to use the word MALGUDI for their restaurant business.

23.But, I am of the opinion that since other persons are using the word MALGUDI, the same cannot be a defence for the defendant, as the usage of the mark by the other persons may not affect the business of the plaintiff. If the court come to the conclusion that the usage of the mark of the plaintiff by other person by adding suffix or prefix would affect the business of the plaintiff, then definitely the plaintiff is entitled for injunction.

In this regard, a references could be placed in the judgment reported in ***PTC (Suppl)(2) 177(Del) [Prakash Roadline Ltd., Vs. Prakash Parcel Service (P) Ltd]***, wherein it has been held as follows:-

“Merely because no action is taken against certain other parties, it does not mean that the plaintiff is not entitled to take action against the defendant. The other parties may not be affecting the business of the plaintiff. They may be small-time operators who really do not matter to the plaintiff. Therefore, the plaintiff may not choose to take any action against them. On the contrary, the plaintiff feels danger from defendant in view of the fact that the defendant's promoters are the ex Directors/employees of the plaintiff who are fully in the know of the business secrets of the plaintiff. Therefore, the mere fact that the plaintiff has not chosen to take any action against such other parties cannot disentitle the plaintiff from taking the present action. This contention is, therefore, *prima-facie* without any merit and is rejected.”

In the light of the above said judgment, I am of the opinion, the submission made by the learned senior counsel for the defendant that since other persons are also using the mark of the plaintiff, the plaintiff is not entitled for injunction, cannot be accepted. From the above discussions, I find a *prima facie* case in favour of the plaintiff and the balance of convenience is also in favour of the plaintiff. If the injunction is not granted, the plaintiff would be put to irreparable loss

and hardship.

For the forgoing reason, both the above Original Applications are allowed as prayed for and the interim injunctions are granted as prayed for in both the above applications.

17.03.2015

Index :Yes/No
Internet :Yes/No
sbi/ssv

R.SUBBIAH, J.

sbi/ssv

**Pre-delivery order
in**

**O.A.Nos.791 and 792 of 2014
in
C.S.No.645 of 2014**

DATED: 17.03.2015