

\$~23

\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**  
+ **FAO(OS) (COMM) 35/2019 & CM APPL. 7351/2019 (stay)**

CHHAVI POPLAI & ANR ..... Appellants  
Through: Mr. Ashish Deep Verma, Advocate.

versus

RAJESH CHUGH & ANR ..... Respondents  
Through: None.

**CORAM:**  
**JUSTICE S.MURALIDHAR**  
**JUSTICE SANJEEV NARULA**

**ORDER**  
**18.02.2019**

%

**Dr. S. Muralidhar, J.:**

1. This appeal is directed against an order dated 23<sup>rd</sup> January 2019 passed by the learned Single Judge declining to vacate the interim injunction passed on 31<sup>st</sup> August 2018 in IA No.11667 of 2018 in CS (Comm) 1095 of 2018 and CS (Comm) 48 of 2018. As a result the learned Single Judge dismissed IA No.12286 of 2018 filed by the present Appellants (Defendants in the suit) under Order XXXIX Rule 4 CPC for vacating the said interim injunction.

2. The background facts are set out in the order dated 31<sup>st</sup> August 2018 which reads as under:

“It is stated that the father of the plaintiffs, late Mr. Amir Chand initially adopted the trademark 'Nizam's', as Karta of the HUF and got the same registered under Classes 29, 30, 32, 33, 24, 42

and 43 of the Trade Marks Act, 1999. It is stated that upon the demise of late Mr. Amir Chand, the said trademarks devolved upon the plaintiffs by virtue of being male members of the HUF as well the last will and testament of the late Mr. Amir Chand dated 01<sup>st</sup> March, 2018. It is stated that the plaintiffs have applied for certificates for use in legal proceedings of the trademark 'Nizam's'. It is stated that by virtue of extensive and continuous use as well as the high quality taste of the plaintiffs' food items, the trademark 'Nizam's' is exclusively associated with the plaintiffs business and services.

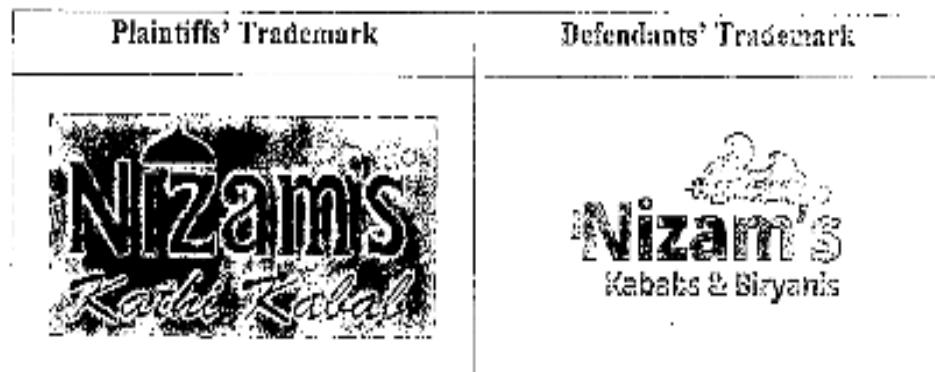
It is stated that the plaintiffs own the website [www.nizams.com](http://www.nizams.com) and have listings on food portals such as Zomato, Swiggy, TripAdvisor, Dineout etc. It is stated that the plaintiffs also have a strong social media presence.

It is the case of the plaintiffs that the annual revenue generated by the plaintiffs in the financial year 2017-2018 was INR 7,83,17,646 and the expenditure incurred on advertising and promotion of their business and services for the same financial year was INR 30,17,500.

Learned counsel for the plaintiffs states that in 1998, on the basis of an oral understanding, the plaintiff no. 1 allowed the defendant nos. 1 to 4 to operate a franchise of 'Nizam's' in Gurgaon. He states that in July, 2016, the plaintiffs terminated the franchise with the defendants due to various reasons including non-adherence to standards and misappropriation of funds and rights.

Learned counsel for the plaintiffs states that in December, 2016 the plaintiffs came across the defendant no.1's trademark application dated 19<sup>th</sup> February, 2015 for registration of the device mark 'New Nizam's Kababs and Biryani' under Class 43 of the Trade Marks Act, 1999 claiming use since 29<sup>th</sup> July, 2014, when the defendant nos. 1 to 4 were operating the franchise of the plaintiffs. He states that subsequent investigations revealed that after termination of the franchise,

the defendant nos. 1 to 4 started operations under the deceptively similar trade name 'New Nizam's Kababs and Biiyani', in August, 2016. A pictorial representation of the plaintiffs' and defendants' trademarks is reproduced herein below:-



Learned counsel for the plaintiffs states that the plaintiffs' issued a cease and desist letter dated 12<sup>th</sup> December, 2016 to the defendant nos. 1 to 4 and vide reply dated 29<sup>th</sup> December, 2016, the defendant nos. 1 to 4 responded refusing to comply with the plaintiffs' demands stating that their mark is different from the plaintiffs'. He states that since the plaintiff no. 1 suffered a severe illness, he could not follow up on the defendant nos. 1 to 4's activities, however on 13<sup>th</sup> November, 2017, the defendant no.1's trademark application was declared abandoned on account of non-prosecution. He states that post recovery of his illness, upon gaining knowledge of the defendant nos. 1 to 4's attempt to revive their trademark application, operation of the website [www.newnizams.com](http://www.newnizams.com), that they were listed on various online food portals such as Zomato, Swiggy, Food Panda etc. as well social media websites and expansion to more locations in Gurugram, the plaintiff no.1 issued afresh cease and desist letter dated 24<sup>th</sup> April, 2018 to the defendants. He states, till date, no response has been received. Learned counsel for the plaintiffs states that the mala fide intent of the defendant nos. 1 to 4 is apparent by the manner in which they have given prominence to the word 'Nizam's' in their logo with the words 'New' and 'Kababs and Biryani' being non-distinctive and being depicted in negligibly small font.

Learned counsel for the plaintiffs states that disgruntled consumer reviews of the defendant nos. 1 to 4's restaurant on food portals due to the sub-standard quality of the defendant's food and services is evidence of the dilution of the plaintiffs' brand. He further states blatant and unrestricted use of an identical trademark belonging to the plaintiffs by the defendant nos. 1 to 4 in relation to its goods and services will inevitably lead to the whittling down and erosion of the uniqueness and exclusivity associated with the plaintiffs' trademark and if the defendant nos. 1 to 4's activities are not curbed, others will be prompted to imitate the plaintiffs' trademark 'Nizam's' thereby leading to further dilution.

Learned counsel for the plaintiffs further states that the defendant nos. 1 to 4's unauthorised adoption of the trademark 'Nizam's' in the name of their restaurant 'New Nizam's Kababs and Biryani' is bound to cause confusion and deception amongst the public that the defendant nos. 1 to 4 are somehow connected, affiliated or sponsored by the plaintiffs and result in an unjust enrichment to the defendant nos. 1 to 4.

Learned counsel for the plaintiffs lastly states the trademark 'Nizam's' is an arbitrary mark as it has no meaning or significance in relation to kathi kabab rolls or fast food restaurants and is therefore inherently distinctive.

Keeping in view the aforesaid, this Court is of the opinion that a prima facie case of infringement and passing off is made out in favour of the plaintiffs and balance of convenience is also in their favour. Further, irreparable harm or injury would be caused to the plaintiffs if an interim injunction order is not passed.

Consequently, till further orders, the defendants, their directors, proprietors, partners, officers, servants, agents, subsidiaries, holding companies, sister concerns, franchises, family members and all others acting for and on their behalf are restrained from advertising, selling, offering for sale, marketing etc. any

product, packaging, menu card and advertising material, labels, stationery articles, website, email addresses or any other documentation using depicting, displaying in any manner whatsoever, the trademark 'New Nizam's' or 'New Nizam's Kababs and Biryani' or any other mark which is identical or deceptively similar to the plaintiffs' registered trademark 'Nizam's'.

The defendant nos. 5 and 6 are directed to lock the domain name www.nizams.com till the disposal of the present suit."''

3. Mr. Ashish Deep Verma, learned counsel for the Appellant, submitted that the learned Single Judge was in error in holding that with the Appellant No.1 (Defendant No.1) himself having applied for registration of the mark 'Nizam's', he cannot possibly contend that the said mark lacks exclusivity and is incapable of protection or registration. IN support of this contention he relied on the decision dated 23<sup>rd</sup> October 2009 of this Court in FAO (OS) 497 of 2008 (*Rhizome Distilleries P. Ltd. v. Pernod Ricard S.A. France*) to urge that a party that chooses to use a generic, descriptive, laudatory or common word must realize that such word will not be accorded exclusivity.

4. In *Rhizome Distilleries P. Ltd.* (*supra*), this Court was dealing with a word 'IMPERIAL' used in connection with alcoholic beverages. It is in that context that this Court observed that the word 'IMPERIAL' was found in common parlance in every dictionary but was also 'laudatory in nature as it alludes to royalty or grandeur'.

5. The context in the present case is different. The Plaintiff has a registration in its favour of the mark Nizam's and the suit is one for infringement of such registered trademark. The essential part of the mark is the name (proper

noun) Nizam. The Defendants have been unable to dispute that they too applied for registration of the same mark. Even if as contended by them the Defendants have applied only for a label mark it is not in dispute that predominant portion of that label is the word ‘Nizam’s’. The spelling of the word in both marks i.e. the registered mark of Plaintiff as well as the infringing mark of Defendant is the same. Even capitalization of the letter N followed by the other alphabets in small case is identical. Added to this is the fact that the food product i.e. being sold i.e. ‘Kabab’ is also the same. There is bound to be confusion created in the mind of the average viewer by the Defendant’s infringing mark.

6. Mr. Verma next relied on the decision of the learned Single Judge of this Court in ***SBL Ltd. v. Himalaya Drug Co. 1997 (17) PTC 540 (Del)*** where it was held that ‘nobody can claim exclusive right to use any generic word, abbreviation or acronym which has become public jurisdiction.’

7. The above decision in ***SBL Ltd. v. Himalaya Drug Co. (supra)*** of the learned Single Judge was at the interlocutory stage. After the trial was complete a final judgment was delivered by a learned Single Judge of this Court in ***Himalaya Drug Co. v. SBL Ltd. (2010) 170 DLT 395*** declining the Plaintiff an injunction. This view was, however, reversed by the Division Bench in ***Himalaya Drug Co. v. SBL Ltd. (2012) 194 DLT 536 (DB)***. The principle that the Defendant cannot approbate and reprobate is well settled. In ***Neon Laboratories v. Thermis Medicare Ltd. 2014 (60) PTC 621(Bom)*** it was held that:

“21. The issue of whether a defendant can take such a plea of a mark or a prominent feature of a mark being common to the

trade when the defendant has himself applied for registration is no longer *res integra*: the second action defeats the first argument. This seems to me logical. A man may well say, “I choose to use this particular mark because it is my belief that it is common to our trade and therefore none may claim exclusivity over it.” It is quite another for him to say “I will contend in opposition to a claim of exclusivity that the mark I have adopted is so common to our trade that none may claim exclusivity, but I will myself nonetheless apply for registration and thereby mount precisely such a claim to monopoly, and it matters not that implicit in my registration application is a self-annihilating contradiction of my own stand of the mark being commonplace.” There is a form of estoppel by conduct that applies to such a defendant. A man may not ‘approve and reprobate’. He may take inconsistent stands, but not ones that are mutually destructive.”

8. Mr. Verma next contended that the Plaintiff had concealed the fact that a third party based in Calcutta is in fact the prior user and registrant of the mark Nizam’s and also has a registration in its name. As rightly pointed out by the learned Single Judge, no case for concealment is made out inasmuch as the Calcutta party has confined its registration and use of the mark ‘Nizam’s’ to West Bengal. The Court concurs with the learned Single Judge that the word ‘Nizam’s’ in relation to kababs can still be said to be an arbitrary or fanciful mark i.e. capable of protection. Merely because the Plaintiff did not choose to seek to restrain the Calcutta party, does not result in the Plaintiff having acquiesced in the infringement of its mark. As noted by the learned Single Judge, it was held in ***Dr. Reddy’s Laboratories Ltd. v. Reddy Pharmaceuticals Limited (2004) (29) PTC 435 (Del)*** that ‘If the impugned infringement is too trivial or insignificant and is not capable of harming the plaintiff’s business interest, plaintiff may overlook or ignore

petty violation till it assumes alarming proportions.’.

9. The Court finds that there are no grounds made out for interfering with the impugned order passed by the learned Single Judge. The appeal is accordingly dismissed. The application for stay is also dismissed.

**CM APPL. 7352/2019 (exemption)**

10. Allowed, subject to all just exceptions.

**S. MURALIDHAR, J.**

**SANJEEV NARULA, J.**

**FEBRUARY 18, 2019**

tr