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OSA(CAD)Nos.155 & 156 of 2021

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : .02.2022

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THE HONOURABLE MRS.JUSTICE **PUSHPA SATHYANARAYANA**  
and  
THE HONOURABLE MRS.JUSTICE **S. KANNAMMAL**

O.S.A.(CAD)Nos.155 and 156 of 2021  
and C.M.P.Nos.21260, 21262, 21263 and 21264 of 2021

Amaravathi Restaurants Private Limited,  
No.1, Cathedral Road,  
Chennai - 600 086,  
Rep. by its Chief Financial Officer,  
Mr.D.Rami Reddy

.. Appellant / Plaintiff

Vs.

Hotel Grand Karaikudi,  
East Coast Road,  
Nemmeli,  
Tamil Nadu - 603 104.

.. Respondent/Defendant

\* \* \*

**Prayer :** Original Side Appeal filed under Section 13 of the Commercial Courts Act, 2015 against the common order dated 29.10.2021 made in O.A.Nos.466 of 2021 in C.S.(Comm Div.) No.34 of 2021.

\* \* \*

For Appellant : Mr.Arun C.Mohan

For Respondent : Ms.AL.Ganthimathi

### **JUDGMENT**

**PUSHPA SATHYANARAYANA, J.**

The appellant, who is the plaintiff in a passing off action, has filed the applications for grant of interim injunction restraining the defendant from



passing off the plaintiff's restaurant and business by use of the service mark / trade name "KAARAIKUDI CHETTINAD RESTAURANT".

2. The appellant herein claims to be the registered proprietor of the word mark "KARAIKUDI" under Class 31 and 32, the word mark KAARAIKUDI under Class 29, 30 and 42 of device mark "KAARAIKUDI CHETTINAD RESTAURANT" under Class 42. The appellant's service mark "KAARAIKUDI CHETTINAD RESTAURANT", has since the first restaurant started in the year 1989, had rapid growth in terms of business and reputation and also goodwill with respect to its restaurants and food. Since the plaintiff claims that the trade mark "KARAIKUDI" has thus lost its geographical significance by virtue of the extensive use made by the appellant since the year 1989 and has acquired secondary meaning to connote and denote the trade source and origin of the appellant's restaurants and other business rather than description. While the plaintiff has been using the service mark and trade mark KARAIKUDI from the year 1989 openly, continuously, honestly and extensively, the respondent/defendant had started using the name deceptively similar service mark / trade name "HOTEL GRAND KARAIKUDI" only very recently. As the plaintiff is the prior adopter and user of the service mark, the adoption and use of deceptively similar service mark in the name "HOTEL GRAND KARAIKUDI" in respect of its restaurant by the defendant amounts to a deliberate misrepresentation to the members of public. Hence, they



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filed suit, in which, interim applications in O.A.Nos.466 and 467 of 2021 for grant of interim injunction were filed.

3. The respondent, who is the defendant, contested the said applications stating that it had applied for registration of trade mark "HOTEL GRAND KARAIKUDI" under Class 43 and has been using the said name since 2018. The appellant is not the registered owner of the trade mark "HOTEL GRAND KARAIKUDI". The appellant, being part of Savera Group and sister concern of M/s.Shyam Enterprises is not within the knowledge of the respondent. The trademark "HOTEL GRAND KARAIKUDI" is used by the respondent and the appellant does not have any connection with the name "HOTEL GRAND KARAIKUDI" and the respondent also contended that the appellant's registration comes under a different Class with a different name and with different design and the respondent has not infringed in any manner the trademark of the appellant. Therefore, according to the respondent, there is no confusion whatever in the minds of the customers and the alleged infringement or passing off are denied.

4. The applications were heard by the learned Single Judge, who refused to grant the interim relief and dismissed the applications vide the order dated 29.10.2021 and questioning the said order, these appeals are filed.



5. Heard the learned counsel on either side and perused the materials placed before this Court.

6. The learned counsel for the appellant contended that the appellant's service mark "KAARAIKUDI CHETTINAD RESTAURANT" was the first restaurant, which was started in the year 1989 and had attained great reputation and goodwill with respect to its restaurants and food. Therefore, the mark "KARAIKUDI" has lost its geographical significance by virtue of the extensive use made by the appellant since the year 1989 and has acquired secondary meaning to connote and denote the trade source. It was pointedly argued by the learned counsel that the said mark has been protected against another party by a Division Bench of this Court in **Amaravathi Enterprises V. Karaikudi Chettinad** reported in **2008 (36) PTC 688 (Mad)**, wherein, the Division Bench of this Court had held as follows :

*"18. When a party is using prior user as a shield in an action for infringement, it is necessary to prove that they have been continuously using the trade mark in respect of goods manufactured or marketed by them.*

*19. In the present case, the respondent relies on an unregistered partnership deed dated 15.9.2000, Nil IT returns for the year 2000-2001 and the licence fee receipt issued by Ambattur Municipality in support of their contention that they are the prior user of the name "KARAIKUDI CHETTINADU RESTAURANT".*

*20. When a defence of prior user is taken, burden lies on such trader/manufacturer to prove the continuous usage of the said trade name. Here the volume of sales also assumes significance. Similarly*



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*advertisement and other modes adopted for promotional sales also assumes significance. The reason being that the statutory presumption under Section 28 of the Trade Marks Act, 1999 loses its significance once prior user as provided under Section 34 of the Act is established."*

7. The findings of the learned Single Judge is that the words "KARAIKUDI" or "KAARAIKUDI" is the name of a town, geographical origin and available in public domain and therefore, the Trade Mark Registry ought not to have given registration for the said mark. The learned counsel for the appellant contended that in the absence of any material from the respondent to show that there was any widespread usage of word mark and, whereas, the plaintiff had been using it for more than three decades and the name 'KAARAIKUDI' has acquired secondary meaning, which is distinctive of only the appellant's restaurant. Hence, the word "KAARAIKUDI" cannot be termed as generic and permit the respondent to continue the usage of the trade name. Even presuming that the word "KARAIKUDI" has a geographical origin, the long, continuous and extensive usage by the appellant/plaintiff since 1989, the said trade mark "KARAIKUDI" or "KAARAIKUDI CHETTINAD RESTAURANT" are identified only with the appellant's restaurants and have acquired secondary reputation. The respondent also is in the business of serving food and usage of the mark "KARAIKUDI" is only with an intention to bank on the goodwill and reputation of the appellant, which wreaks mala fides.



8. A similar question was decided in **Manipal Housing Finance Syndicate Ltd. and Others Vs. Manipal Stock and Share Brokers Ltd.**, reported in **1999 (98) Company Cases 432**, wherein, the issue as to whether the plaintiff can claim exclusive right to use the name of a place, which is fairly unique in South India and whether the plaintiffs have the exclusive right to describe themselves by the said name. In this regard, it is apposite to refer to the following paragraphs of the said judgment :

*"30. The commercial use of geographical names is universally well known. People and business enterprises identify themselves with the place from which they hail, live in or carry on business. Many a business enterprise uses the name of the city, town, region, or country as part of its business or corporate name. Monopoly over the use of geographical name is not the rule, but a rare exception to the rule.*

*31. In any large city are to be found more than one business establishment whether or not carrying on the same trade, using the name of the town or city as part of its business name. In a large city like Madras, there are several large companies—well known nationally—who use the name of the city as part of their corporate name. Geographical names are invariably and subject to rare exceptions public juris — are in the public realm available for use by any one choosing to adopt it as part of the name of the business enterprise.*

*32. Any exception to this rule must truly be an exception. It is only in a rare case where the name has been used very extensively for a long period, is so well known in the market as to be identified in the public mind with the product or service rendered by the business enterprise, that the court may consider granting injunctive relief to a plaintiff."*

Thus, it was held that the plaintiffs cannot claim any exclusive goodwill in



or a secondary meaning, claiming to refer to the name, as referring only to the plaintiffs companies and that the plaintiffs failed to show prima facie case that though it acquired a secondary meaning as referring to in the name of the place and comprising exclusively the plaintiffs companies.

9. In the present case also, the word 'KARAIKUDI' is a geographical name and geographical name can be registered as a trademark, if its distinctiveness is proved. Section 9 of the Trademarks Act, 1999 (in short, "the Act") provides for the grounds for refusal of registration, which does not put a blanket ban on the registration of the geographical name as trademark. Therefore, as claimed by the plaintiff/appellant, if the trade mark 'KARAIKUDI' had acquired distinctiveness, it can be used as a trademark and may even be registered under sub-section (2) of Section 9 of the Act.

10. The learned Single Judge also had relied on the judgment of a Division Bench of the Calcutta High Court in **Imperial Tobacco Company of India Ltd. V. Registrar of Trademarks and another**, reported in **1977 SCC OnLine Cal 133**. For explaining the words "secondary meaning" and get associated with the goods by its distinctiveness, placing reliance on **Indian Shaving Product Limited and another V. Gift Pack and another, 1998 SCC OnLine Delhi 829**, the learned Single Judge had held that Karaikudi, being the name of a town, had geographical origin and



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available in public domain. Therefore, it was held that the plaintiff / appellant had not shown any material that it had gained secondary meaning. Further, it was found that the appellant is carrying on business under the group name "Amaravathi" and they have different trademark for different kind of cuisines. Therefore, the usage of the name "Karaikudi" by the respondent along with the words "HOTEL GRAND" cannot be restrained.

11. It is now relevant to see whether any documents filed by the respondent to show the volume of sales or continuous usage of the word impacted their business. Obviously, there is no evidence to show that any advertisement or any sales promotional activities were undertaken by the respondent. The respondent has not filed any document to show the volume of business, which leads to the interference that the respondent has miserably failed to prove the continuous usage.

12. The next argument by the counsel for the appellant is that since the trademark "KARAIKUDI CHETTINAD RESTAURANT" was registered under Class 42, being a food item, there is likelihood of reputation and goodwill of the appellant being affected. He had argued that the "KARAIKUDI" is the word attached to their restaurant and if the respondent's food items are found to be below average in terms of quality and taste, it would affect the business interest of the appellant, as the ordinary prudent men will not be in a position to distinguish the restaurant



of the appellant and the respondent. Thus, there will be serious implication on the business of the appellant, who is running a chain of restaurants in the trade name 'KARAIKUDI CHETTINAD RESTAURANT' in and around Chennai.

13. A perusal of the documents also show that the appellant has been using the trade name for more than thirty years and it has established a goodwill or reputation attached to its services in the minds of the public. It is also evident from the sales invoices produced by the appellant, which reflect the registered word mark "KARAIKUDI", with which, it has been operating from several locations in the city of Chennai. Thus, the services of the appellant are recognized by the public as distinguished and specifically of their goods and services. The name of the respondent "Hotel Grant KARAIKUDI", which is located in the East Coast Road, using the same trade name would mislead the public, as they are also in the services of offering food. In such an event, the appellant is likely to suffer damage by reasons of erroneous belief by the usage of the same name by the respondent / defendant, as the business and services of the defendant is similar to that of the services offered by the appellant. Therefore, we are convinced that the plaintiff / appellant has made out a *prima facie* case and it is entitled to an order of interim injunction till the disposal of the suit and accordingly, the order of the learned Single Judge is liable to be set aside.



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14. Resultantly, this Original Side Appeals are allowed and the impugned order of the learned Single Judge is set aside and the learned Single Judge is requested to take up the suit, if the pleadings are complete and dispose of the same as expeditiously as possible. Consequently, connected miscellaneous petition is closed. The parties shall bear their own costs.

(P.S.N., J.) (S.K., J.)  
.02.2022

Index : Yes/No  
Internet : Yes  
Speaking Order: Yes/No  
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To

The Section Officer,  
Original Side,  
Madras High Court,  
Chennai-600 104.



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and  
S. KANNAMMAL, J.

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