

IN THE HIGH COURT OF DELHI AT NEW DELHI

% Judgment delivered on: 02.11.2022

+ FAO (COMM) 128/2022 and CAV 254/2022 and CM Nos. 37879/2022, 37880/2022

SANJHA CHULHA

..... Appellant

versus

SANJHA CHULHA & ORS.

..... Respondents

Advocates who appeared in this case:

For the Appellant :Mr Samarat Nigam, Mr Akshay Srivastava and Mr Abhilash Gupta, Advocates.

For the Respondents :Mr Hemant Daswani and Mr S. Singh, Advocates for R-1 to 3.
Mr Sachin Sharma, Mr Anil Kumar Gulati and Ms Nur Tandon, Advocates for R-4.
Mr Tushar A. John, Advocate for R-5.

CORAM

HON'BLE MR JUSTICE VIBHU BAKHRU

HON'BLE MR JUSTICE AMIT MAHAJAN

JUDGMENT

VIBHU BAKHRU, J

1. The appellant has filed the present appeal impugning an order dated 04.08.2022 (hereafter '**the impugned order**') passed by the learned Commercial Court, whereby the appellant's application under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 (hereafter '**the CPC**') was dismissed and the respondents' application under Order XXXIX Rule 4 of the CPC was allowed.

2. Respondent no. 1, a partnership firm constituted by respondent nos. 2 and 3 as its partners, is engaged in the business of running a restaurant under the name SANJHA CHULHA in Faridabad, Haryana. The appellant, a registered partnership firm with Mr Nand Kishore and Mr Suresh Kumar as its constituent partners, is also engaged in a similar business and operates a restaurant by the same name in New Delhi. The appellant had sought interim orders, *inter alia*, restraining the respondents from using the trademark and name “SANJHA CHULHA” or any other deceptively similar marks, claiming that use of the said mark infringes its trademarks and amounts to passing off. The said prayer for interim relief was rejected and this has led the appellant to file the present appeal.

FACTUAL CONTEXT

3. The appellant claims that it commenced its business in the year 1986-1987 and is engaged in the business of providing food and catering services from its restaurants/food outlets under the name and style of “SANJHA CHULHA”. The appellant states that it opened its first outlet in Kailash Colony, New Delhi and thereafter, opened two additional outlets in the areas of Chitranjan Park, New Delhi and Defence Colony, New Delhi due to its growing reputation.

4. The appellant states that it applied for registration of device

marks “” and “” under Class 29 by trademark application nos. 766554 and 1040537

respectively; device mark “” and “

” under Class 16 by trademark application nos. 1006350 and 1040539 respectively; and, device mark “

” under Class 30 by trademark application no. 1006351. These label marks were registered in its favour.

5. The appellant also applied for registration of the wordmark “SANJHA CHULHA” under Classes 29, 30 and 43 by trademark application nos. 5239415, 5239416, 5239417 respectively; and device



mark “**Sanjha Chulha**” and word mark “SANJHA CHULHA” under Class 43 by trademark application nos. 4581878 and 2110609 respectively. However, the applications in respect of the aforesaid marks were objected/opposed by the respondent nos. 1 to 3 (hereafter collectively referred to as ‘**the respondent**’).

6. The appellant states that its packaging / trade dress have unique design, structure, combination of various colours and features, get up, make up etc and is an ‘artistic work’ under Section 2(c) of the Copyright Act, 1957. The appellant also states that it has registered copyright in the artistic work of its label bearing Registration nos. A-60137/2001, A623555/2002 & A-139603/2021, as well.

7. The appellant states that in the month of October, 2017, it became aware that the respondent had also applied for registration of a similar trademark and thus, opposed the registration of the said mark before the Trademark Registry. The appellant claims that the respondent, acting in a *mala fide* manner with fraudulent and dishonest intentions and in order to retaliate against the action of the appellant in filing opposition against registration of its trademark, instituted opposition proceedings against various applications preferred by the appellant to register its trademarks.

8. On 11.02.2004, the respondent applied for registration of the



device mark “”, under Class 30, by Trademark Application no. 1266381. The respondent claimed use of the said mark since 01.04.1992. The said registration lapsed on 11.02.2014 as it was not renewed by the respondent. Thereafter, on 01.08.2018, the appellant filed a rectification petition no. 264989 against the aforesaid application, which is pending before the Trademark Registry.

9. Thereafter, on 23.03.2016, the respondent applied for



registration of its device mark “”, under Class 30, by Trademark Application no. 3217600. The respondent claimed use of the said mark since 01.04.1992. The appellant states that it filed opposition to the said application on 05.11.2017 and the same is pending before the Trademark Registry.

10. The device trademarks of the respondent is reproduced below:-





11. The appellant also issued a cease-and-desist notice to the respondent on 04.04.2021, which was followed by another legal notice/take down notice dated 25.04.2022. It claims that it did not receive any response to the said notices.

12. Thereafter, on 14.05.2022, the appellant filed a suit (being CS COMM 467/2022) under the provisions of the Trade Marks Act, 1999 seeking permanent injunction against the respondent from infringing, passing off, *inter alia*, the relevant trademarks of the appellant.

13. By an order dated 06.06.2022, the learned Commercial Court granted *ex-parte ad-interim* injunction against the respondent and restrained the respondent from using the mark and name “SANJHA CHULHA” or other deceptively similar trademarks. The learned Commercial Court also appointed a Local Commissioner to visit the respondent premises and take custody of the material bearing the trademarks in question.

14. Thereafter, the respondent filed an application under Order XXXIX Rule 4 of the CPC for vacation of the *ex-parte ad-interim* injunction order dated 06.06.2022.

15. The appellant also filed an application under Order XXXIX Rule 2A of the CPC, alleging violation of the *ad interim* injunction.

THE APPELLANT'S CASE

16. The case of the appellant is that since the respondent is engaged in the same business and the respondent's mark is phonetically and visually identical/similar to its trademarks, it causes confusion and deceives its customers. The appellant contends that it is using its trademarks since the year 1986 and thus, it is not only the prior user but also the registered proprietor of the trademark "SANJHA CHULHA" and the formative device marks.

17. The appellant also claims that it has spent a considerable amount of money and effort to establish its brand identity through the promotion and advertising of the said marks in print and electronic media and its sales have increased from ₹88,82,640/- in the year 2017-2018 to ₹2,65,69,751/- in the year 2021-2022. The appellant, thus, contends that its trademarks enjoy "*enormous reputation*" and have also acquired the status of 'well-known trademarks'.

18. The appellant further contends that the period of five years to grant acquiescence to the respondent have also not yet elapsed and thus, the respondent cannot claim to the contrary.

THE RESPONDENTS CASE

19. The case of the respondent is that that the words "Sanjha Chulha" had not been coined by the appellant; it means a community clay oven in the Punjabi language. The respondent further states that a serial by the said name had also been telecast on the channel *Doordarshan* in

1990-1991. The respondent thus, claims that it is a *bona fide* user of the said name.

20. The respondent also contends that its sales figures are approximately twenty times more than that of the appellant and further, the location of the restaurants of the appellant and respondent are quite distant from one another and thus, the appellant's customers and those frequenting its restaurant are not common.

21. The respondent disputes that the appellant is a prior user of the trademark in question and that it is using the same since 1986. It further contends that the registration of the trademarks granted in favour of the appellant are liable to be cancelled.

22. The appellant's registered trademarks are device marks and do not confer exclusive right to use the words "Sanjha Chulha", which have now come to be associated with current day eateries (*dhabhas*).

23. The respondent further contends that the appellant had acquiesced in use of the impugned trademark for a period of five years, as from 2017-2022, it did not file any case against the respondent for trademark violation and therefore, the appellant is liable to be stopped from raising objections in terms of Section 33 of the Trade Marks Act, 1999.

THE IMPUGNED ORDER:

24. The learned Commercial Court considered the rival submissions of the parties and was of a *prima facie* view that the respondent had not infringed the appellant's trademark and accordingly, dismissed the

application filed by the appellant under Order XXXIX Rules 1 and 2 of the CPC and allowed the application filed by the respondent under Order XXXIX Rule 4 of the CPC.

25. The learned Commercial Court noted that the composite words “Sanjha Chulha” is in “*in vogue since immemorial*” [rect. in vogue since time immemorial]. The learned Commercial Court accepted the respondent’s contention that the words “Sanjha Chulha” mean a common clay oven in the Punjabi language and is also a part of common vocabulary. Accordingly, the learned Commercial Court found that the composite word is descriptive and thus, the appellant could not claim exclusive use of the said word. The learned Commercial Court further observed that the words “Sanjha Chulha” have “*acquired figurative meaning as the place having common kitchen and that place is every dhaba or a restaurant and not necessarily the dhaba of the plaintiff or of the defendant. Those words now represent a general dhaba.*”.

26. The learned Commercial Court relied on the evidence filed by the parties and stated that the respondent had proved that it was using its trade name with effect from 1996 to 1998 and during the said period, the said trade name was also registered in the name of the appellant. The appellant had not produced any material to evidence its usage of the trademark “SANJHA CHULHA’ since 1986. The learned Commercial Court, accordingly, held that the appellant and the respondent are both concurrent users of the said trade name.

27. The learned Commercial Court compared the sales figures of the parties and found that the sales of the respondent were thirty-three (33) times higher than the appellant in the year 2020-2021. The learned Commercial Court also compared the distance between the restaurants of the appellant and the respondent and held that due to the said distance, the respondent cannot solicit customers of the appellant *“because if any person has to eat or take away the food, he would do so in his neighbourhood. He would not travel 20 kilometers for that purpose.”*

28. The learned Commercial Court, held that *prima facie*, the device marks of the parties were neither identical nor similar to each other and the said words “Sanjha Chulha” are descriptive.

29. Aggrieved by the impugned order, the appellant filed the present appeal.

REASONS AND CONCLUSION

30. Although the appellant has sought to contest all findings against it in the impugned order; the controversy involved in the present appeal is, essentially, two-fold. First, whether the device marks registered in favour of the appellant (plaintiff) grant exclusive rights to the appellant to interdict use of the words “Sanjha Chulha” and second, whether the appellant is a prior user of the trademarks in question.

31. The appellant’s suit was premised on the assertion that it is the prior adopter of the trademarks “SANJHA CHULHA” (words) and “SANJHA CHULHA” (device) and has been using the same since the

year 1986. The appellant also claims that it is the registered proprietor of the said trademarks. The learned Commercial Court found that there was no material on record, which would establish that the appellant had been using the said trademarks since the year 1986.

32. It is necessary to note that the appellant is not the registered proprietor of the word mark “SANJHA CHULHA”. It had applied for registration of the word mark “SANJHA CHULHA” (under Classes 43, 29, 30 and 43). However, the said word marks had been opposed and the appellant has not been granted registration of the word mark “SANJHA CHULHA” as yet.

33. It is material to note that the appellant had applied for registration of the trade mark for the first time on 19.08.1997 (Trademark Application no. 766554) seeking registration of the following device mark under Class 29 (Meat, Fish, Poultry, Mughlai Indian, Chinese as Tandoori Chicken, Tikka, Sekh Kabab, Butter Chicken, Dal Makhani, Shahi Paneer, Kadhai Chicken, Chilly Chicken, Chowmin and other fast food included in Class 29):



34. The appellant claims that it was using the said device since 31.01.1991. There was no assertion that the appellant had been using the said trademark since the year 1986.

35. Thereafter, the appellant applied for registration of a somewhat similar mark, under the same class (Class 29), by an application dated 30.08.2001 (Trademark Application no. 1040537). The said mark is reproduced below:-



36. In its application, the appellant claimed that it was using the said trademark since 01.01.1987. It is material to note that the said device mark also includes the word “Nand’s” above the word mark “SANJHA CHULHA” and the word “Restaurant” below the same. It also indicates an address. There is no explanation whatsoever as to why the appellant had sought for registration of this mark in the year 2001, that is, four years after applying for registration of a somewhat similar mark but now claiming that it was using the same four years prior to the use of the mark in its earlier application (claiming use since 31.01.1991). The documents filed by the appellant clearly establish that the appellant was not operating from A-31, Shop No.19-20, Kailash Colony Market, New Delhi - 110048 (the address forming a part of the registered trademark) in the year 1987.

37. Mr. Nigam, learned counsel appearing for the appellant, contended that the aforesaid registrations were in respect of different classes of goods and services. However, it is seen that both the registrations were applied for the same class of goods.

38. *Prima facie*, the aforesaid facts cast a serious doubt regarding the appellant's assertion as to use of the mark from the dates as it claimed. Needless to state that if a registration of a trademark has been secured by furnishing incorrect facts; the same may be a good ground to cancel the same.

39. The appellant had, after applying for registration of the aforesaid trademarks, also applied for registration of several trademarks claiming their use since 01.01.1986. A tabular statement containing the details of the trademark applications made by the appellant and their current status are set out below:-

S. No.	Applicat ion No.	Trademark	Status	Class	Goods	Date of application	Claiming usage from
1.	766554	SANJHA CHULHA (LABEL) 	Registered	29	Meat, Fish, Poultry, Mughlai, India, Chinese as Tandoori Chicken, tikka, Sekh Kabab, Butter Chicken, Dal Makhani, Shahi Paneer, Kadhai Chicken, Chilly Chicken, Chowmin and Other Fast Food.	19.08.1997	31.01.1991

2.	1040537	SANJHA CHULHA (LABEL) 	Registered	29	Preserved And Ready to Eat Meat, Fish, Poultry, Mughlai, India, Chinese as Tandoori Chicken, tikka, Sekh Kabab, Butter Chicken and Non-Vegetarian and Vegetarian Packed Food.	30.08.2001	01.01.1987
3.	1006350	SANJHA CHULHA (LABEL) 	Registered	16	Paper and Paper Articles, Letter Heads, Visiting Cards, Bill Books, Cardboard and Cardboard Articles, Printed Matter, Newspaper, Menu Cards, Stationery.	30.04.2001	01.01.1986
4.	1040539	SANJHA CHULHA (LABEL) 	Registered	16	Paper and Paper Articles, Letter Heads, Visiting Cards, Bill Books, Envelops, Card Board and Card Board Articles, Printed Matters, news Papers, Stationery.	30.08.2001	01.01.1987
5.	1006351	SANJHA CHULHA (LABEL) 	Registered	30	Coffee, Tea, Cocoa, Sugar, Rice, Tapioca, Sago, Coffee, Substitutes, Flour and Flour Preparations Made from Cereals, Bread, Biscuits, Cake, Pastry and Confectionery, Ices, and All Other Ready Food for Human Consumption.	30.04.2001	01.01.1986

6.	4581878	SANJHA CHULHA (LABEL)	Objected	43	Hotel and Restaurants Food Services, Catering Services.	27.07.2020	Proposed to be used
							
7.	5239415	SANJHA CHULHA (WORD MARK)	Accepted and Advertised	29	Preserved, Dried and Ready to Eat Meat, Fish Poultry, Pickle, Mughlai, Indian, Chinese as Tandoori Chicken, Tikka, Sekh Kabab, Butter, Butter Chicken Jellies, Jams, Fruit Sauces, Eggs, Milk and Milk Products, Edible Oils, Fats Foods and Non-Vegetarian and Vegetarian Cooked Packed Foods.	08.12.2021	01.01.1986
8.	5239416	SANJHA CHULHA (WORD MARK)	Objected	30	Coffee, Tea, cocoa, Sugar, Rice, Tapioca Sago, Coffee Substitutes, Flour and Preparation Made from Cereals, Bread, Biscuits, Cake, Pastry and Confectionery, Ices, Ready Food for Human Consumption.	08.12.2021	01.01.1986
9.	5239417	SANJHA CHULHA (WORD MARK)	Objected	43	Hotel Restaurant and Food Beverage and Food Catering Services, Namely, Providing of Food and Beverages for Consumption on and off the Premises.	08.12.2021	01.01.1986

10.	2110609	SANJHA CHULHA (WORD MARK)	Opposed	43	Hotels And Restaurants, Providing Food And Drink, Take Away Foods, Temporary Accommodations Services	07.03.2011	01.01.1986
11.	1298323	SANJHA CHULHA (LABEL) 	Opposed	42	Hotels and Restaurants, Providing Food and Drink, Take Away Foods, Temporary Accommodation.	26.07.2004	01.01.1987

40. There is no credible explanation as to why the appellant has sought to apply for registration of the trademarks that it claims it was using since 01.01.1986, several years after it had filed an application for its first registration, claiming use since the year 1991. Interestingly, the appellant has also applied for trademarks in respect of running a restaurant and hotel from the year 01.01.1986. Admittedly, the appellant was not running any hotel at the material time.

41. The appellant's claim that it was running a restaurant in the year 1986 is, *prima facie*, difficult to accept because the appellant has not produced any document to establish the same. It has, however, produced a letter dated 10.02.1990 issued by the Municipal Corporation of Delhi, addressed to the SHO, Greater Kailash-I, informing the SHO that Sh. Nand Kishore was the occupier of an "open to sky *tehbazari* site ad-measuring 6"x4" in Kailash Colony" and the same has been shifted to another site in the same colony along with other *tehbazari* holders by an order dated 13.11.1989. The said letter also specified that the area of the *tehbazari* site would remain the same,

that is, 6"x4". Thus, *prima facie*, it does appear that in the year 1990, the appellant could not have been running a restaurant as a restaurant could not possibly function from an "open to sky *tehbazari* site ad-measuring 6"x4".

42. The appellant, in support of its claim, that it had been running a restaurant has filed affidavits of certain individuals, which are, except for the year, in similar words. Paragraph no. 4 of one such affidavit affirmed by one Mr. H.G. Bharadwaj is set out below:

"4. I also state that I have been witness to the use of the trademarks 'SANJHA CHULHA (word), SANJHA CHULHA (device)



by Mr. Nand Kishore & Mr. Suresh Kumar, for their business of restaurant and food catering business since 1986."

43. The appellant had also filed affidavits affirmed by two other individuals in identical terms with the only difference being the years since they had witnessed the use of the said trademarks by the appellant. In one of the affidavits, it is mentioned "*since 1990*" while in the other it is mentioned "*since 1992*".

44. *Prima facie*, the said affidavits do not appear to be of much evidentiary value considering that the facts affirmed are contrary to those asserted by the appellant. It is also important to note that the appellant, by an application dated 27.07.2020 (Trademark Application no. 4581878), had applied for registration of the following trademark:



under Class 43 (Hotel and Restaurants, Food Services, Catering Services) on a 'proposed to use basis'. Whilst, the application filed by the appellant is on 'proposed to be used' basis, the deponents of the affidavits filed by the appellant in support of the case, affirm that they had witnessed the use of the said trade mark since the years 1986, 1990 and 1992. Further, as stated above, it is doubtful whether the appellant was running a restaurant since 1986, as claimed.

45. Contrary to the material produced by the appellant, the material produced by the respondent, in support of its claim of use of the word mark "SANJHA CHULHA", appears to be credible. The respondent has produced a letter dated 27.05.1986 recording possession of plot No. 12, Sector-19, Faridabad, where its restaurant was still running and has also produced letters of appreciation for the years 1998 and 1999 by officials of well-known companies appreciating the food served by respondent in its restaurant named "SANJHA CHULHA".

46. Undisputedly, the sales turnover of the respondent is significantly higher than that of the appellant.

47. The respondent was a registered proprietor of the trademark, which included the words "Sanjha Chulha" from the year 2004 till the

registration lapsed in the year 2014. The respondent's application for registration of the trademark is pending.

48. In the given facts of the case, there is a serious controversy as to the date on which the appellant has adopted the trademark. Clearly, the mere fact that the appellant has, in its application to the Trade Mark Registry, claimed usage from a prior date, does not necessarily evidence its use from the said date. The appellant would necessarily have to establish the date on which it commenced running its restaurant as well as the use and adoption of the trademarks in question.

49. In the facts of the present case, the question as to which of the parties is the prior user of the trademark incorporating the device mark "SANJHA CHULHA" or incorporating the said words, is a contentious issue.

50. However, there appears to be no serious dispute that the respondent had been running a restaurant under the name "SANJHA CHULHA" since a period of more than twenty-four years.

51. In the given facts, we find no fault with the decision of the learned Commercial Court to decline the appellant's request for an interim order interdicting the respondent from running its restaurant under the name "SANJHA CHULHA" till completion of the trial.

52. The second question to be examined is whether the registration of the device mark grants exclusive right to the appellant to use the words "Sanjha Chulha". It is now well-settled that registration of a composite mark does not necessarily grant exclusive right in respect of any part of the trademark. Undeniably, if a prominent part of the

registered trademark is subsequently adopted by another user, either on a standalone basis or as a part of the composite mark, the same may in a given case indicate that the two marks are deceptively similar. But it is not necessary that in every case where a part of a composite trademark is used by another as a part of its trademark, the conclusion that the two marks are similar must necessarily follow.

53. In the present case, the appellant claims exclusive rights to the words “Sanjha Chulha” by virtue of registration of a device mark. The learned Commercial Court had noted that the words “Sanjha Chulha” have acquired a figurative meaning over the years meaning a “*common kitchen*”. Further, the literal meaning of the words “Sanjha Chulha” is a “*Common Clay Oven*” in the Punjabi language. Thus, the said term is a descriptive word.

54. A proprietor of a device mark that includes certain descriptive words of common use, would not necessarily acquire an exclusive right to usage of the said words. If it is accepted that the words “Sanjha Chulha” are now descriptive of a general *dhaba* – which is the *prima facie* view of the learned Commercial Court – the appellant may not be able to claim exclusive rights to use those words to the exclusion of all others, merely by virtue of registration of the device trademarks.

55. This Court is unable to accept that the impugned order is capricious, perverse or arbitrary. Thus, on the anvil of the principle as set out in ***Wander Ltd. and Anr. v Antox India P. Ltd.: 1990 Supp. SCC 727***, no interference with the impugned order is warranted.

56. The appeal is, accordingly, dismissed. All pending applications are also dismissed.

57. It is clarified that all observations and findings in this order are tentative and only for the purposes of examining whether the impugned order warrants any interference. Nothing stated in this order is to be construed as dispositive of the merits of the dispute and the learned Commercial Court shall finally decide the suit uninfluenced by the observations made in this order.

VIBHU BAKHRU, J

AMIT MAHAJAN, J

NOVEMBER 02, 2022

‘gsr’



सत्यमेव जयते