



O.S.A.(CAD).Nos.125 & 126 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

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Date : 02.11.2023

CORAM :

**THE HON'BLE MR. SANJAY V. GANGAPURWALA, CHIEF JUSTICE
AND
THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY**

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- 1.M/s. Rasnam Foods Private Limited,
An Indian Company Incorporated under the Companies Act, 2013,
Having its registered office at
No.IA/IB, Rajiv Gandhi Salai, Navaloor,
Chennai, Kancheepuram,
Tamil Nadu – 603 103, India.
- 2.M/s. RSM Foods Private Limited,
An Indian Company Incorporated under the Companies Act, 2013,
Having its registered office at
No.2/95B, Sri Nilayam, Rajiv Gandhi Salai,
Old Mahabalipuram Road, Thoraipakkam,
Chennai, Tamil Nadu – 600 097, India.
- 3.M/s. Prasanam Foods Private Limited,
An Indian Company Incorporated under the Companies Act, 2013,
Having its registered office at
No.82, New No.102, G.N. Chetty Road,
T. Nagar, Chennai, Tamil Nadu – 600 017, India.
- 4.M/s. GVR Foods Private Limited,
An Indian Company Incorporated under the Companies Act, 2013,
Having its registered office at



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No.2/216, 2nd Avenue, Vettuvankeni,
Injambakkam, ECR,
Chennai, Tamil Nadu – 600 115.

5.N. Murali

... Appellants
(in both Appeals)

Versus

Sangeetha Caterers and Consultants LLP
(LLPIN-AAD-7003)
An Indian Limited Liability Partnership firm
Represented by its authorized officer -Binish R Panicker
Incorporated under the
Limited Liability Partnership Act, 2008
Having registered Office address at
4th Floor, No.7 Gandhi Nagar Main Road,
1st Main Road, Adyar, Chennai 600020.
Tamil Nadu.

... Respondent
(in both Appeals)

Common Prayer : Original Side Appeal - Commercial Appellate Division
filed under Section 13 of the Commercial Courts Act, 2015 r/w Clause 15 of
the Letters Patent Act, and Order XXXVI Rule 9 of the Original Side Rules
of the High Court of Madras, to set aside the impugned order, dated
22.09.2023 in O.A.No.448 of 2023 & O.A.No.447 of 2023 respectively in
C.S. (Comm.Div) No.116 of 2023 and allow the appeal with costs.

For Appellants : Mr. P. S. Raman, Senior Counsel.
(in both Appeals)

For Respondent : Mr. A. K. Sriram, Senior Counsel.
(in both Appeals)



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COMMON JUDGMENT

(Judgment of the Court was delivered by Mr. Justice. D.Bharatha Chakravarthy)

This Original Side Appeal is directed against the Order of the Learned Single Judge dated 22.09.2023 made in O.A.Nos.447& 448 of 2023 in C.S.(Comm. Div).No.116 of 2023. By the said order the Learned Single Judge allowed both the original applications. in the said applications, the respondent/plaintiff had prayed for injunctions against the appellants/defendants from infringing its registered trademarks and passing off its goods as that of the respondent/plaintiff. In this Order, the parties are hereinafter referred to as per their array in the main suit.

2.The suit is filed by the plaintiff pleading that they are in the business of running hotels, restaurants, and allied services under the name, “Sangeeta” and “Sangeeta Veg” since the year 1985. They were initially a registered partnership firm and later the constitution was changed as Limited Liability Partnership. They have adopted the above trademark and have also been making minor variations and additions to the mark over the period of time. Due to consistent maintenance of superior quality of its products and services, the restaurants gained immense popularity and the



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consuming public connected the well known trademark with the plaintiff.

Over a period of time, the plaintiff has registered the mark 'Sangeetha' with minor variations and prefixes and with devices both as word marks and label marks. They have proprietary rights over 20 such registered marks in respect of Classes 16,29,30,32,33,42,43. Their marks are also registered in several other countries. The plaintiff is currently predominately using the mark 'Sangeetha' with a device (veena within the letter S) with a distinct colour scheme get up and style.

3. Whiles, originally they were approached by the fourth defendant for a franchise. The other defendants' entities also joined in which the fourth defendant and others are in control and ownership. In the year 2009, vide franchisee agreement dated 08.10.2009, the defendants were permitted to open and operate a vegetarian restaurant in Velachery, Chennai. Thereafter, on various dates upto the year 2018, the defendants were permitted to operate 5 such restaurants.

4. During the course of the operations, the defendants went overboard and several clauses of the franchisee agreement were violated by them including the creation of a mobile application with the plaintiff's mark and



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finally when the dispute arose in respect of shifting and opening of an outlet at Medavakkam in the year 2022, the plaintiff did not agree and the defendants intimated their decision to go out of the franchisee agreement. A meeting was held on 08.03.2023 and the defendants agreed to exit out of the franchisee agreement. The minutes of the meeting was communicated vide email dated 08.04.2022. By their reply mail dated 11.04.2022, the defendants tried to wriggle out by stating that all the entities did not agree. Again a meeting was held on 19.04.2022 in which it was agreed mutually that the defendants will exit by 31.05.2022.

5.As a matter of fact the franchise ended with effect from 31.05.2022. However, in their communications, the defendants started twisting the facts as if the plaintiff had agreed for their continuing of the restaurants under the name and style 'geetham'. From the very next day of termination of franchise, in the same venues, the defendants simply changed the name as 'geetham' and continued the business. They have presented for registration various marks under the name and style 'geetham', 'Chennai geetham', 'sangeetham' etc., totally of about 29 applications in the same classes. They had dishonestly adopted a colour scheme, get up and style so as to imitate the plaintiff. They have issued advertisements and their websites etc.,



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boasted that only name has changed and restaurant is the same. Thus, after categorically agreeing to exit from franchise and not to use any of the marks, devices or symbols of the plaintiff and even agreeing to surrender all the menu cards, business contacts, customer details etc., the defendants wanted to cash in on the plaintiff's reputation and goodwill by infringing the marks of the plaintiff and pass off their goods as that of the plaintiff. A cease and desist notice was issued on 10.01.2023 to which a reply with false particulars was issued on 24.01.2023. The plaintiff issued rejoinder on 06.03.2023 and thereafter the present suit was filed on 06.05.2023.

6.The applications for interim injunctions were resisted by the defendants by filing a common counter affidavit. It is their contention that after the discontinuance of the franchisee, they have coined and adopted the mark 'geetham'. Even though they had filed an application for registering the mark 'Sangeetham', they had withdrawn the same. As a matter of fact, during the operation of the franchisee agreement, it was entirely their idea and effort to host a website and online sales was only because of them. When the plaintiffs disagreed with the defendants in the matter of shifting of the Medavakkam restaurant, they clearly stated that if the defendants wanted they should surrender the franchise of all 5 restaurants and start their



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own. Thus, having given *carte blanche* to start their own independent business, now the plaintiffs are attempting to go back and are trying to avoid market competition.

7.The defendants are entitled to carry on their business and they are not infringing or passing off their products. A comparison of both marks are made and the differences are pointed out. They are not responsible for misstatements by Swiggy, Zomato etc.. The defendants have adopted the mark as early as in June, 2022 and have been carrying on the business since then. Only because their business has picked up and they were on the verge of opening up new outlets, the enraged plaintiffs have filed the suit and as such there are laches and the plaintiff is not entitled for any interim protection.

8.The Learned Single Judge considered the case of the parties, considered the mark adopted by the defendants and held that in respect of the very same business when the defendants have adopted a deceptively similar mark with an identical colour scheme, get up and style and when they have issued advertisements, slogans etc., which clearly connects their business to that of the plaintiffs, the defendants are guilty of infringement



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and passing off. In a case of this nature, the delay cannot be held to be fatal and once the plaintiff has made out a *prima facie* case, injunction should follow and holding thus, allowed the applications. The aggrieved defendants are before us.

9.We have heard *Mr. P.S. Raman*, the Learned Senior Counsel for the appellant and *Mr. A.K. Sriram*, the Learned Senior Counsel for the respondents. The suit is being contested by the parties. The point for consideration is as to whether the defendants are liable to be enjoined from in any manner using the offensive marks pending disposal of the suit ?

10.At the outset, it has to be seen that though the plaintiffs have made an averment in the plaint that as per the franchisee agreement, the defendants cannot engage in competing business for a period of five years from the date of termination, firstly, the defendants claim that even during the operation of franchise, in the year 2016 itself, they had started a competing business, a restaurant in the name and style 'Ruchi' and there was no objection from the plaintiffs. Secondly, in the suit, the plaintiffs do not seek to enforce the said agreement and on the other hand suit is confined only in respect of infringement of trademark and passing off and



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consequential prayers of delivery and destruction of offending materials and for accounts.

11.In this background, it can be seen from the *inter-se* communications and the minutes of the meetings held between both sides that there is an unequivocal understanding and agreement between both sides that the franchisee shall end with effect from 31.05.2022. On and from that date the defendants cannot use the plaintiff's marks or materials and if they still choose to run their business it has to be their own. Thus, the question remains to be seen is that whether the defendants' adoption and use of the mark amounts to infringement of the plaintiff's mark and whether they are passing off their goods as that of the plaintiff's ?

12.There can be no two opinions that in cases of this nature, normally, if a *prima facie* case of deceptive similarity is made out, injunction shall follow. So as to decide whether the marks are deceptively similar so as to create confusion in the minds of the customer, it cannot be done by adopting the test of a reasonable man but that of a gullible public. Forensic comparison of the marks or pointing out differences between the two will not suffice, but it has to be decided by a wholesome comparison of the



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marks, in the context of the nature of the marks, their use, nature of business etc.

13.As a matter of fact, *Mr. A.K. Sriram*, the learned Senior Counsel appearing on behalf of the plaintiff would put it that the test should be whether an average customer in the City of Chennai, proceeding in the rush of the traffic, who wants to take a quick bite, who will not care to read the name boards in detail, will enter the defendants' restaurants by connecting the same in his mind as that of the plaintiff ? In the context of the nature of the business of the parties, we are in agreement with the test as submitted by the Learned Senior Counsel.

14.As of the date, the competing marks as used by the defendants and the plaintiff are as under:



[DEFENDANTS]

[PLAINTIFF]



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15. In the above background, perhaps sensing the force in the submission of *Mr. A.K. Sriram*, *Mr. P.S. Raman*, the learned Senior Counsel, though started addressing the court on the merits of the findings, however, without prejudice to the contentions of the defendants in the main suit, for the purposes of the interim arrangement, would submit that the colour scheme of the device containing green and maroon or deep red, will be changed by the defendants. To purge the allegation of passing off, the defendants are also willing to issue an open advertisement that they are not connected to the plaintiff. An additional affidavit undertaking to do the above was also filed on 13.10.2023 during the course of the arguments. Further, *Mr. Raman*, submitted that the entire colour scheme of green and red/maroon which causes apprehension of resemblance will be changed. He submitted that even the letters which are used by the appellant will be changed to upper case so as not to phonetically or visually resemble the plaintiff.

16. *Mr. A.K. Sriram*, the Learned Senior Counsel, would submit that even then, the very mark 'geetham' in any form would infringe the plaintiff's mark and its adoption was dishonest and hence the defendants should not be permitted to use the mark.



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17.We have considered the submissions made on behalf of both sides and pursued the material records of the case. ‘Sangeetha’ and ‘geetham’ are not coined marks but are common words having dictionary meanings and common names of persons pan-India. In this context whether the plaintiff being the registered proprietor of the mark ‘Sangeetha’ will be entitled to seek for prohibition of the use of the word ‘geetham’ *per se* has to be determined in the suit after trial. Whether the defendants genuinely adopted the mark ‘geetham’ merely inspired by their erstwhile franchise or with a dishonest intention of capitalising on the goodwill and reputation of the plaintiff can also be established in the trial. In the meanwhile, the distinctiveness of the plaintiff’s mark cannot be permitted to be diluted and the plaintiff’s goodwill and reputation cannot be encashed by creating confusion. Therefore, if the defendants avoid the similarity of colour scheme and get up in their device and mark, namely green and red/maroon combination and adopt a dissimilar colour scheme and if the letters of the mark ‘geetham’ is switched over to upper case which will be dissimilar to that of the style of letters in the plaintiff’s mark ‘Sangeetha’, the same would pass muster of the test as posed in paragraph 13 above on behalf of the plaintiff and approved by us supra.



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18.In view of the pleading on behalf the defendants, we are inclined to modify the Order under appeal as follows :

(i) Pending disposal of the main suit, the appellants/defendants will be entitled to carry on their business by using their device “” which will not be in the colour scheme of green and red/maroon and with a different colour scheme. The defendants can also use their mark ‘geetham’ however the letters shall be in Upper Case dissimilar than that off the plaintiff and shall not be in the colour scheme of green and red/maroon and shall be distinct and dissimilar to the colour scheme and get up of the respondent/plaintiff;

(ii) The colour scheme, get-up and style have to be changed in respect of the Tamil version of the name of the appellants/defendants also so as to be dissimilar than that of the respondent/plaintiff;

(iii) The appellants/defendants shall also issue an advertisement of half-page size in at least two leading English and Tamil Newspapers having wide circulation throughout the state, that their business/restaurants is fresh, their own and have no-connection whatsoever with that of plaintiff’s ‘Sangeetha’;



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(iv) On compliance of the above, the defendants shall be entitled to carry on business and all contentions of the parties are left open to be decided in the main suit;

(v) The O.S.A. (CAD) Nos.125 and 126 of 2023 shall stand disposed off as above and the Order of the Learned Single Judge dated 22.09.2023 in O.A.Nos.447 & 448 of 2023 in C.S.(Comm. Div.) No. 116 of 2023 shall stand modified on the above terms;

(vi) There shall be no orders as to costs.

(S.V.G., CJ.) (D.B.C., J.)
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Index : yes
Speaking order
Neutral Citation : yes

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AND
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