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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **C.O. (COMM.IPD-TM) 160/2021**
UP HOTELS CLARKS LIMITED Petitioner

Through: Mr. Arun Kumar Jha, Advocate.

versus

ARJUN BHANOT TRADING AS ARJUN CLARKS INN AND
ANR. Respondents

Through: Mr. Saeed Qadri, Advocate for R-1.
Mr. Harish Vaidyanathan Shankar,
CGSC with Mr. Srish Kumar Mishra,
Mr. Alexander Mathai Paikaday, Mr.
Lakshay Gunawat and Mr. Krishnan
V., Advocates for R-2.

CORAM:

HON'BLE MR. JUSTICE SANJEEV NARULA

ORDER

27.03.2024

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1. The Petitioner, UP Hotels Clarks Limited, is engaged in the business of hotels. They assert that the CLARKS Group of Hotels has a legacy dating back to pre-independence India, when English owners operated hotel properties under the 'CLARKS' brand name at Shimla and Varanasi. In the year 1947, Late Sh. Babu Brijpal Dasji, the Petitioner's predecessor in interest, acquired 'CLARKS' Varanasi from its English owner and developed the 'CLARKS Group of Hotels'. In the year 1962, they opened a second property at Agra under the name Clarks Shiraz as a five-star hotel property, and thereafter, continued to expand under 'CLARKS' brand.
2. In the year 2005, Mr. Anoop Kumar, one of the promoters of the



Clarks Group, diversified into hotel management vertical with the launch of 'Clarks Inn Group of Hotels'. Gradually, the 'CLARKS' banner expanded to include various establishments, including Clarks Inn, Clarks Exotica, Clarks Residencies, Clarks Suites and Clarks Holidays. Presently, the Clarks Inn Group of Hotels is amongst the fastest growing hotel companies in India, with more than 80 hotels in their portfolio, including 40 such hotels operating across 18 states in India. They also have presence in Kathmandu, Nepal.

3. The trademark 'CLARKS' was adopted by the Petitioner's predecessor in 1947, and again by Mr. Kumar in the year 2005, as described above. The Petitioner's use of the trademark 'CLARKS' from the year 2006 onwards is demonstrated by their revenue and sales figures, details whereof are delineated in Paragraph No. 7 of the petition. On account of their long continuous use, spanning nearly two decades, the Petitioner's trademark 'CLARKS' has acquired formidable goodwill and reputation in the market. Further, Petitioner has also secured registrations under the Trade Marks Act, 1999 [*“Act”*] for several labels which are formative marks of 'CLARKS'. The details of such registrations are as follows:

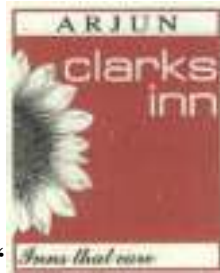


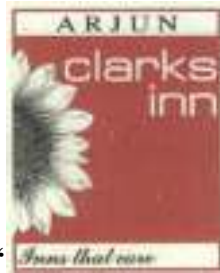
Trademark	Trademarks Reg/app No	Dated	TMJ
	2659984	15.01.2014	
	2659985	15.01.2014	1721
	2659986	15.01.2014	1721
	2659987	15.01.2014	1861

	3572214	16.06.2017	1807
	4211163	19.06.2019	—
	4211162	19.06.2019	—



4. The grievance of the Petitioner arises on account of the registration of



the trademark ‘’ in the name of Respondent No. 1 under No. 3601736 [**“Impugned Mark”**], which is alleged to be identical/ deceptively similar to the Petitioner’s registered marks. Moreover, the Impugned Mark is used in respect of identical category of services, being registered in Class 43, which covers services of providing food & drink, restaurant services, fast food restaurants services, take away food services, hotel services, resorts, temporary accommodation, banqueting services, self services restaurants, snack bar services, food and drink catering, cafes & Ice cream parlours.

5. Upon discovering Respondent No. 1’s registration, Petitioner issued a cease-and-desist notice on 3rd April, 2019, which was responded to by Respondent No. 1 on 29th April, 2019. In the reply, Respondent No. 1 alleged that they had adopted the Impugned Mark after conducting a prior search of the trademark database, and that their adoption is honest and *bona fide*. They further asserted that they had started operations only at their current location at Hargovind Nagar, Ludhiana - 141001 (Punjab), and stated that they shall not expand under the said brand to any other territory.

6. There is no counter statement/ reply on behalf of Respondent No. 1. Nonetheless, the Court has heard Mr. Saeed Qadri, counsel appearing for Respondent No. 1 through video conferencing mechanism. Mr. Qadri reiterates the stand taken in the reply to the cease-and-desist notice, and



additionally submits that Respondent No. 1 had been assigned the right to use the mark 'CLARKS INN' under an express agreement with the Petitioner, whereby Respondent No. 1 was entitled to secure the registration of the Impugned Mark in their name. Although no such agreement has been produced before the Court, however, the relevant clause of the said agreement—which has been read out by Mr. Qadri—does not indicate conferment of any such right in favour of Respondent No. 1.

7. In view of the above, the Court has proceeded to adjudicate the present petition. For the sake of steady reference, a side-by-side comparison of the Petitioner's registered trademark and the Impugned Mark is represented hereunder:



8. From the above, the striking similarity between the Petitioner's registered mark and the Respondent No. 1's Impugned Mark is undeniable. The Impugned Mark employs similar colour combination, writing style and placement of elements, rendering it to be nearly identical in appearance and impression to the Petitioner's registered trademark. The only distinctions are the superficial additions made by Respondent No. 1—specifically, Respondent has included the name 'ARJUN' set against a white background and enclosed by a square; and similarly, they have added a white



background and square boundary to the tagline ‘*Inns that care*’. However, these minor modifications do little to mitigate the overall effect of duplication and the resultant potential for consumer confusion.

9. The deliberate choice to adopt a mark so closely mirroring that of the Petitioner, despite the clear precedence of the latter’s registration, proves an evident lack of *bona fide* intent on the part of Respondent No. 1. This act of feature-by-feature replication reveals not only a disregard for the established trademark rights of the Petitioner, but also suggests an opportunistic strategy aimed at benefiting from the established reputation and market presence of the Petitioner’s mark. In such circumstances, the chronology of trademark registrations, where concedely the Petitioner’s mark enjoys precedence becomes crucial. This sequential priority establishes the Petitioner as the original adopter and buttresses their claim to exclusivity in the use of the mark.

10. Furthermore, the fact that Respondent No. 1 has opted to register their mark under Class 43 for the same range of goods and services as the Petitioner not only escalates the likelihood of confusion but also signals a clear infringement on the Petitioner’s established trademark rights. Moreover, the Respondent No. 1’s stand as expounded by Mr. Qadri, which reveals a prior relationship between the two parties, sheds light on the ill-conceived motivations behind their adoption of the Impugned Mark. It thus becomes transparent to the Court that Respondent No. 1 has attempted to gain from this previous association with the Petitioner by securing registration of a nearly identical mark with a calculated, dishonest intent. Their objective appears to be to exploit the Petitioner’s goodwill and by creating confusion and claiming false affiliation with the Petitioner.

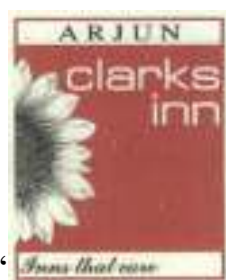


11. In view of the above, the impugned mark is deceptive, misleading and likely to cause confusion among consumers, and is thus violative of Petitioner's prior rights and contrary to Section 9 and Sections 11(1) (a) & (b) of the Act, which aim to prevent the registration of trademarks likely to cause confusion or deception among the public. Given these considerations, it is imperative that the registration of the Impugned Mark be cancelled and the same be removed from the Register.

12. At this stage, it is also pertinent to note that the Respondent No. 1's statement in their reply to the Petitioner's cease-and-desist notice, that the Petitioner's mark was not known to them and their adoption of the Impugned Mark was honest, is also *ex-facie* incorrect as the Petitioner's mark was clearly cited in the examination report dated 31st August, 2017, which was generated at the stage of processing Respondent No. 1's application for registration of the Impugned Mark.

13. In view of the above, the present petition is allowed with the following directions:

(i) Registration under Application No. 3601736 for the impugned device



mark 'ARJUN clarks inn' in Class 43, is cancelled.

(ii) Respondent No. 2 is directed to issue an appropriate notification to this effect.

(iii) Registry is directed to supply a copy of the present order to the Trade Marks Registry at llc-ipo@gov.in for compliance.



14. With the above directions, the instant petition is disposed of.

SANJEEV NARULA, J

MARCH 27, 2024

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