



\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% *Judgment Reserved on: 26<sup>th</sup> September 2025*  
*Judgment Pronounced on: 4<sup>th</sup> December, 2025*

+ **CS(COMM) 119/2025 with I.A. 3768/2025, I.A. 9893/2025,**  
**I.A. 16691/2025, I.A. 23352/2025**

ITC LIMITED & ANR.

.....Plaintiffs

Through: Mr. Mukul Rohtagi, Senior Advocate,  
Mr. Arvind Nigam, Senior Advocate  
and Mr. Arvind Nayar, Senior  
Advocate with Ms. Mamta Rani Jha,  
Mr. Saurabh Agarwal,  
Ms. Shrutimma Ehersa, Ms. Aiswarya  
Debardarshini and Ms. Jahanvi  
Agarwal, Advocates.

versus

ADYAR GATE HOTELS LIMITED

.....Defendant

Through: Mr. Rajiv Nayyar, Senior Advocate,  
Mr. Amit Sibal, Sr. Advocate,  
Mr. Adarsh Ramanujan, Mr. Prateek  
Chadha, Mr. Sreekar Aechuri, Ms.  
Surbhi Soni, Mr. Aniket Chauhaan,  
Mr. Saksham Dhingra, Mr. Darpan  
Sachdeva and Mr. Ankit Handa,  
Advocates

**CORAM:**  
**HON'BLE MR. JUSTICE AMIT BANSAL**

**JUDGMENT**

**AMIT BANSAL, J.**

**I.A. 3768/2025 (u/O XXXIX Rules 1 and 2, CPC)**

1. The captioned application has been filed seeking relief of interim




injunction restraining the defendant from infringing the trademark and copyright of the plaintiffs, passing off its services as that of the plaintiffs, along with other ancillary reliefs.

**CASE SET UP IN THE PLAINT**

2. The plaintiff no.1, ITC Limited, is a company engaged in operating, marketing and/or manufacturing of diverse goods and services such as hotels and restaurants, printing and packaging, paperboards and cigarettes and other fast-moving consumer goods ('FMCGs').

3. The plaintiff no.2, ITC Hotels Limited, is an associate company of the plaintiff no.1 and is in the hotels and hospitality business, operating multiple hotels and restaurants.

4. Through a scheme of arrangement sanctioned by the National Company Law Tribunal, Kolkata Bench by an order dated 4<sup>th</sup> October 2024, the hotels and hospitality business of the plaintiff no.1 was demerged and transferred to the plaintiff no.2. Pursuant to the aforesaid demerger, the plaintiff no.1 granted an exclusive license to the plaintiff no.2 to use several

of its well-reputed trademarks, including 'DAKSHIN/'  with respect to operation of premium restaurants.

5. The plaintiff no.1 has been providing, marketing and promoting its hospitality business under various trademarks/ brands such as 'ITC HOTELS' in luxury segment, 'WELCOMHOTEL/ WELCOMGROUP' in the upscale segment etc.

6. The trademark 'DAKSHIN/'  was first adopted by the plaintiff no.1 for the restaurant at the 'Welcomgroup Park Sheraton Hotel' in



Chennai in 1989. The plaintiff no.1 applied for and obtained registration for the mark 'DAKSHIN' in classes 29 and 30 respectively, with effect from 13<sup>th</sup> September 2000 on a '*proposed to be used*' basis. Subsequently, these were amended in 2005 claiming user since 1<sup>st</sup> April 1989. The plaintiff no.1 has also obtained registration in other classes in respect of the mark



, details of which are given in paragraph 19 of the plaint.

7. Over the years, the plaintiff no.1 expanded the chain of restaurants



under the trademark 'DAKSHIN/' and launched the restaurants in several hotels run by the plaintiffs across India. The details regarding the location and year of establishment of the restaurants under the



trademark 'DAKSHIN/' are given in paragraph 13 of the plaint.

8. The plaintiffs' restaurants under the trademark 'DAKSHIN/'



have been frequented by foreign dignitaries and prominent personalities. The said restaurants have also received numerous distinctions, awards and recognitions.

9. From the financial years 2012-2013 to 2023-2024, the plaintiffs'



revenue in respect of the trademark 'DAKSHIN/' for the restaurants operating in Mumbai, Hyderabad, Delhi, Vizag and Bangalore is provided in paragraph 25 of the plaint. The revenue generated by the plaintiffs' aforesaid restaurants under the trademark 'DAKSHIN/'



for the year 2023-2024 is to the tune of Rs.12.38 crores.

10. The plaintiffs have been actively promoting their restaurants on various social media channels, e-commerce platforms and their official websites, [www.itcportal.com](http://www.itcportal.com), [www.itshotels.com](http://www.itshotels.com) and [www.itshotels.in](http://www.itshotels.in), which are visited by thousands of persons from across India and the world. The details regarding social media followers of the plaintiffs on various platforms are given in paragraph 22 of the plaint.


11. As a result of the promotional activities and numerous accolades received by the plaintiffs, the plaintiffs have acquired goodwill and

reputation in respect of the trademark 'DAKSHIN/' .

12. The defendant, Adyar Gate Hotels Limited, is a company which owns real estate and collaborates with third-party entities who professionally manage/ operate such real estate under the latter's own name and style, using the latter's trademarks and trade name / brand name. The plaintiff no.1 entered into an Operating Services Agreement dated 12<sup>th</sup> February 1985 [hereinafter 'Operating Services Agreement'] with the defendant company and a hotel was launched under the trade name 'Welcomgroup Park Sheraton' in 1985 in terms of the said agreement.

13. The Operating Services Agreement was amended from time to time and in 2015, the term of the said Agreement expired. The plaintiffs withdrew from the hotel and the hotel was transferred to a third party and was renamed 'Crowne Plaza, Chennai, Adyar Park'. Despite the expiry of the Operating Services Agreement, the defendant continued to use the



trademark 'DAKSHIN/' in relation to the restaurant in 'Crowne Plaza, Chennai, Adyar Park'.

14. The said hotel 'Crowne Plaza, Chennai' ceased to operate with effect from 31<sup>st</sup> December 2023. Thereafter, the said hotel was demolished in April - July 2024 and is being replaced with a luxury apartment complex.



15. In October 2024, the plaintiffs came across a standalone restaurant launched by the defendant at a new location in Chennai using the impugned

mark 'DAKSHIN/ '.

16. Aggrieved by the aforesaid, the present suit has been filed seeking relief of permanent injunction along with other ancillary reliefs.

#### **PROCEEDINGS IN THE SUIT**

17. Summons in the present suit and notice in the captioned application were issued on 13<sup>th</sup> February 2025. On the same date, this Court granted an *ex parte ad* interim injunction in favour of the plaintiffs restraining the defendant from using or directly or indirectly dealing in restaurant and food

business under the trade mark 'DAKSHIN/ '.

Further, the defendant was directed to take down all listings/posts/articles bearing the infringing trademark from its social media handles/websites as well as third-party websites.

18. The defendant preferred an appeal against the order dated 13<sup>th</sup> February 2025 and the *ex parte ad* interim injunction order was set aside by the Division Bench *vide* order dated 24<sup>th</sup> February 2025. The matter was remanded back with a direction to consider the interim injunction



application on merits after hearing both the parties.

19. Pleadings in the captioned application were completed.

20. While arguments were being heard by this Court in the captioned application, the plaintiffs filed an application being I.A. 16841/2025 seeking to place on record additional documents. *Vide* order dated 24<sup>th</sup> July 2025, this Court permitted the plaintiffs' application to place on record additional documents with liberty to the defendant to place on record additional documents in rebuttal.

21. Arguments were heard on behalf of the counsel for the parties on 18<sup>th</sup> March 2025, 26<sup>th</sup> March 2025, 15<sup>th</sup> April 2025, 5<sup>th</sup> May 2025, 27<sup>th</sup> May 2025, 24<sup>th</sup> July 2025 and 26<sup>th</sup> September 2025, when the judgment was reserved.

22. Written submissions have been filed on behalf of the parties.

#### **SUBMISSIONS ON BEHALF OF THE PLAINTIFFS**

23. Mr. Mukul Rohatgi and Mr. Arvind Nigam, Senior Counsel appearing on behalf of the plaintiffs, have made the following submissions:

23.1. The plaintiffs are the prior owners of the trademark 'DAKSHIN/




. The earliest trademark registration of the plaintiffs dates back to 13<sup>th</sup> September 2000, claiming user since 1<sup>st</sup> April 1989. The defendant clandestinely applied for trademark registration of the mark 'DAKSHIN' in class 42 *vide* application no. 1280662 dated 23<sup>rd</sup> April 2004, claiming user since 14<sup>th</sup> April 1989. In response to the Trade Marks Registry's objections, the defendant admitted that the cited mark belongs to a group company.

23.2. The plaintiffs obtained a copyright registration dated 15<sup>th</sup> November



1989 in respect of the artistic work ‘Dakshin’.

23.3. As per Article XIII of the Operating Services Agreement, the present as well as future trademarks, trade names, service marks and other intellectual property were to belong to the plaintiff no.1 and the defendant was only conferred limited right to use the same. The agreement also provided that the defendant shall have no right to use the aforesaid trademarks after the expiry of the agreement.

23.4. The defendant agreed and acknowledged the proprietary rights of the plaintiffs over the mark ‘DAKSHIN/ ’, as the parties entered into a similar Operating Services Agreement in 1997 with respect to the defendant’s properties at Vishakhapatnam.

23.5. The Operating Services Agreement expired in 2015 and the plaintiffs exited from the property in Chennai. However, the plaintiffs did not object to the use of the impugned mark by the defendant as they were informed that the use will be for a short duration. The parties were in business relations till 2019 in respect of the Vishakhapatnam property.

23.6. On the aspect of territorial jurisdiction, it is submitted that the defendant is marketing and soliciting business across the country (including New Delhi) by way of its listings on e-commerce platforms, such as Zomato and social media platforms and third-party websites such as Instagram. In this regard, reliance has been placed on *Tata sons v. Hakuna Matata*, 2022 SCC OnLine Del 2968.

23.7. This Court also has jurisdiction on the basis of a *quia timet* action based on an apprehension of expansion of its activities by the defendant by



opening restaurants in other parts of India including New Delhi.

23.8. The dynamic effect of the defendant's activities in the form of injury caused to the plaintiffs would be felt by the plaintiffs in all cities where 'DAKSHIN' restaurants are run by the plaintiffs, including Delhi. Reliance has been placed on *Girdhari Lal Gupta v. M/s K. Gian Chand Jain & Co.* 1977 SCC OnLine Del 146 and *Dr. Reddy Laboratories Limited v. Fast Cure Pharma* 2023 SCC OnLine Del 5409.

23.9. The plaintiffs also claim jurisdiction of this Court under Section 134 of the Trade Marks Act, 1999 (hereinafter 'Trade Marks Act') and Section 62 of the Copyright Act, 1957 (hereinafter 'Copyright Act') on the basis that the plaintiffs are carrying on their business i.e. operating the restaurant under the trademark 'DAKSHIN' in New Delhi.

23.10. On the aspect of delay, it is submitted that the plaintiffs and the defendant were in business relationship till 2019 in respect of the hotel in Vishakhapatnam. Thereafter, pandemic affected the business till 2022. The defendant's use of the impugned mark ceased in 2023 and the hotel in Chennai itself was demolished in April, 2024. It was only in October, 2024 that the defendant commenced the use of the impugned mark in respect of a standalone restaurant, misrepresenting the same as legacy hotel operated by the plaintiffs. Hence, there is no delay or acquiescence in filing the present suit.

#### **SUBMISSIONS ON BEHALF OF THE DEFENDANT**

24. Mr. Rajiv Nayyar, Senior Counsel along with Mr. Adarsh Ramanujan, Advocate, appearing on behalf of the defendant, have made the following submissions in respect of territorial jurisdiction:

24.1. While considering the relief of interim injunction, the Court has to





take a *prima facie* view with regard to territorial jurisdiction of the Court. The parameters to be considered while deciding the issue of territorial jurisdiction in an application under Order VII Rule 10 of the Code of Civil Procedure, 1908 (hereinafter ‘CPC’) and an application under Order XXXIX Rule 1 and 2 of the CPC seeking grant of interim injunction, are quite different. For the purposes of Order VII Rule 10 of the CPC, the Court shall decide the issue of jurisdiction only on the basis of what has been stated in the plaint. However, for the purposes of an application under Order XXXIX Rule 1 and 2 of the CPC, the Court may also take note of the contentions of the defendant in the written statement as well as other pleadings. Reliance has been placed on *Asma Lateef v. Shabbir Ahmad*, (2024) 4 SCC 696 and *Allied Blenders & Distillers v. R.K. Distilleries*, 2017 SCC OnLine Del 7224.

24.2. This Court does not have jurisdiction to entertain the present suit for want of cause of action as the defendant has been running its restaurant under the impugned mark in Chennai.

24.3. Reservation of a table through e-commerce websites would not confer jurisdiction upon this Court. Reliance has been placed on *Impresario Entertainment & Hospitality v. S & D Hospitality*, 2018 SCC OnLine Del 6392.

24.4. The defendant has been running its restaurant under the name ‘DAKSHIN’ in Chennai alone for almost 30 years. Hence, there is no basis to apprehend that the defendant may set up stand-alone restaurants under the impugned mark ‘DAKSHIN’ within the jurisdiction of this Court. Reliance has been placed on *New Life Laboratories Private Limited v. DR Ilyas New Lige Homoeo and Herbals Private Limited*, CS(COMM) 323/2023 (order



dated 21<sup>st</sup> July 2023).

24.5. Mere accessibility of the defendant's social media handles/ third party websites within the jurisdiction of this Court would not amount to targeting of customers. In this regard, reliance has been placed on ***Banyan Tree Holding (P) Limited v. A. Murali Krishna Reddy***, 2009 SCC OnLine Del 3780.

24.6. Even under Section 134 of the Trade Marks Act and Section 62 of the Copyright Act, the plaintiffs have failed to establish territorial jurisdiction of this court. Reliance has been placed on ***Kohinoor Seed Fields India Private Limited v. Veda Seed Sciences Private Limited***, 2025 SCC OnLine Del 2404.

25. Mr. Amit Sibal, Senior Counsel along with Mr. Adarsh Ramanujan, Advocate, appearing on behalf of the defendant, have made the following submissions:

25.1. The defendant came up with the idea of the mark 'DAKSHIN' after extensive market survey. Several third-parties were engaged as architects and agencies were hired to suggest a name for the restaurant. The decor and ambience of the restaurant was meticulously planned and a service standard was established. All the engineers, architects, agencies have been contracted for and paid by the defendant.



25.2. The registration of copyright 'Dakshin' in favour of the plaintiffs is not sufficient to prove ownership of the copyrighted work. Section 48 of the Copyright Act and Section 31 of the Trade Marks Act are quite distinct. The former Section provides that the particulars entered in the Register of Copyrights are only *prima facie* evidence of particulars entered



therein, whereas the latter Section provides that the registration signifies *prima facie* validity of the trademark.

25.3. During the pendency of the trademark application filed by the defendant for registration of the mark ‘DAKSHIN’, the plaintiffs did not prefer any opposition. Accordingly, the defendant was granted registration in respect of the impugned mark. Hence, rights of both the parties are protected under Section 28(3) of the Trade Marks Act and the defendant is an honest concurrent user as per Section 12 of the Trade Marks Act.

25.4. The plaintiffs acquiesced to the defendant’s use of the impugned mark under Section 33 of the Trade Marks Act, for more than five years. The same is evident from the averment made in the plaint that the plaintiffs did not oppose the defendant’s use because of “cordial relations” between the parties.

25.5. The plaintiffs have failed to prove the trinity test of passing off against the defendant.

### **ANALYSIS AND FINDINGS**

#### **Territorial Jurisdiction**

26. One of the major planks of the arguments raised on behalf of the defendant is that this Court does not have territorial jurisdiction to entertain the present suit and the Court must take a *prima facie* view of territorial jurisdiction while deciding the present application filed on behalf of the plaintiffs seeking interim injunction.

27. The Supreme Court in *Asma Lateef* (supra) has also emphasized that the question of jurisdiction would assume importance even while the Court considers grant of interim relief. The relevant observations of the Supreme



Court in *Asma Lateef* (supra) are set out below:

“50. Although not directly arising in the present case, we also wish to observe that the question of jurisdiction would assume importance even at the stage a court considers the question of grant of interim relief. Where interim relief is claimed in a suit before a civil court and the party to be affected by grant of such relief, or any other party to the suit, raises a point of maintainability thereof or that it is barred by law and also contends on that basis that interim relief should not be granted, grant of relief in whatever form, if at all, ought to be preceded by formation and recording of at least a prima facie satisfaction that the suit is maintainable or that it is not barred by law. Such a satisfaction resting on appreciation of the averments in the plaint, the application for interim relief and the written objection thereto, as well as the relevant law that is cited in support of the objection, would be a part of the court's reasoning of a prima facie case having been set up for interim relief, that the balance of convenience is in favour of the grant and non-grant would cause irreparable harm and prejudice. It would be inappropriate for a court to abstain from recording its prima facie satisfaction on the question of maintainability, yet, proceed to grant protection pro tem on the assumption that the question of maintainability has to be decided as a preliminary issue under Order 14 Rule 2 CPC. That could amount to an improper exercise of power. If the court is of the opinion at the stage of hearing the application for interim relief that the suit is barred by law or is otherwise not maintainable, it cannot dismiss it without framing a preliminary issue after the written statement is filed but can most certainly assign such opinion for refusing interim relief. However, if an extraordinary situation arises where it could take time to decide the point of maintainability of the suit and non-grant of protection pro tem pending such decision could lead to irreversible consequences, the court may proceed to make an appropriate order in the manner indicated above justifying the course of action it adopts. In other words, such an order may be passed, if at all required, to avoid irreparable harm or injury or undue hardship to the party claiming the relief and/or to ensure that the proceedings are not rendered infructuous by reason of non-interference by the court.”

[Emphasis supplied]

28. In *Allied Blenders & Distillers v. R.K. Distilleries* (supra), a Division Bench of this Court highlighted the different parameters to be considered



while deciding the issue of territorial jurisdiction in an application under Order VII Rule 10 of the CPC seeking return of the plaint and an application under Order XXXIX Rule 1 and 2 of the CPC seeking grant of interim injunction.

29. The Division Bench held that while for the purposes of Order VII Rule 10 of the CPC, the Court shall decide the issue of jurisdiction only on the basis of what has been stated in the plaint. However, for the purposes of an application under Order XXXIX Rule 1 and 2 of the CPC, the Court may also take note of the contentions of the defendant in the written statement as well as other pleadings. Hence, the Court need not consider the pleas raised by the plaintiff on a demurrer for the purposes of an application for interim injunction. Therefore, there is a possibility that the Court may not return the plaint under Order VII Rule 10 of CPC and on the same facts and circumstances, it may form a *prima facie* view that the plaintiff has been unable to establish the territorial jurisdiction of the Court and, hence, deny grant of interim injunction in an application under Order XXXIX Rules 1 and 2 of the CPC.

30. Subsequently, the same Division Bench in ***Allied Blenders & Distillers v. Prag Distillery***, 2017 SCC OnLine Del 7225 held that the defendant will be entitled to raise the issue of territorial jurisdiction as an objection to the grant of interim injunction, even though an application may not be sustainable for return of plaint under Order VII Rule 10 of CPC.

31. With the aforesaid background, I proceed to examine the issue of territorial jurisdiction of this Court for the purposes of deciding the present application for interim injunction.

32. At the outset, a reference may be made to paragraph no. 66 of the



plaint, dealing with cause of action for filing of the present suit. The same is set out below:

*“66. The cause of action for instituting the present suit arose towards end of October 2024 when the Plaintiffs came across news article announcing the alleged “reopening” of a standalone restaurant by the*



*Defendant under the identical trade mark DAKSHIN/ which is in violation of the rights of the Plaintiffs. The cause of action further arose when the Plaintiffs came across the advertising and marketing materials published by the Defendant regarding their new standalone restaurant under the Impugned Mark in on social networking websites as well third-party website viz., <https://www.instagram.com>, <https://www.zomato.com/>, <https://www.eazydiner.com/> and <https://www.tripadvisor.in/> all of which are accessible in New Delhi, which purport to misleadingly claim that the said restaurant is a revival/ continuation of the Plaintiffs’ services, which is wholly incorrect. The cause of action further arises on account of the fact that the Defendant’s*



*invalid registration for the Impugned Mark Registration No. 1280662 ought to be rectified forthwith by this Hon’ble Court as it is not a valid trade mark for the reasons stated hereinabove and is not trade mark applied in good faith. The cause of action further arises due to the damage and injury caused to the Plaintiff No. 1 and its*



*trade mark DAKSHIN/ within the jurisdiction of this Hon’ble Court. The cause of action also arises due to the undeniable apprehension that the Defendant may further expand and open several such standalone restaurants, either on its own or in collaboration with third parties / competitors of the Plaintiffs, across India and within New Delhi wherein the Plaintiffs have been operating/ are operating a*



*Dakshin/ restaurant in Sheraton, New Delhi in Saket. The cause of action for instituting the said suit is continuous and recurring and continues to subsist until the Defendant is restrained from*



*continuing their wrongful acts by an order of permanent injunction passed by this Hon'ble Court"*

33. A reference may also be made to paragraph no. 67 of the plaint, which contains the averments with regard to territorial jurisdiction of this Court to entertain the present suit. The same is set out below:

*"67. This Hon'ble Court has jurisdiction to try and adjudicate the present suit. The Defendant is marketing, advertising and soliciting its business across the country including New Delhi, by way of its listings on ecommerce platforms such as [www.zomato.com](http://www.zomato.com), <https://www.eazydiner.com/> and <https://www.tripadvisor.in/>, its posts on social media platforms, and articles on other third-party websites, vide which it is soliciting patrons and consumers. Such websites are interactive websites and are accessible and targeting customers and patrons of the Plaintiffs within the jurisdiction of this Hon'ble Court. Such restaurant of the Defendant would be associated with DAKSHIN restaurants business operated by the Plaintiffs in various cities, including Delhi, and hence, the dynamic effect of such infringing activity of the Defendant is equally felt by the Plaintiff in all the cities where the DAKSHIN restaurants are operated by the Plaintiffs, including Delhi, giving rise to part of cause of action arising in the present suit. Furthermore, considering the fact that the Defendant has now started establishing and carrying out its impugned business under the Impugned Mark as a standalone entity, the Plaintiffs apprehend that the Defendant may soon venture out and set up either standalone restaurants or operate restaurants under the Impugned Mark in partnership with third-party hotels within the territorial jurisdiction of New Delhi. There exists a reasonable apprehension of the Plaintiffs that the Defendant would undoubtedly be interested in further exploring and expanding its*

*operation in Delhi under the trade mark DAKSHIN/*



*on account of the fact that New Delhi is the capital city and has a significantly large market and consumer base for the hospitality industry. The said apprehension is imminent, strong and credible, thus, giving rise to a substantial and integral part of the cause*



*of action within the jurisdiction of this Hon'ble Court. Accordingly, this Hon'ble Court has the territorial jurisdiction within the meaning of Section 20(c) of the Code of Civil Procedure, 1908, to try and entertain the suit. Additionally, the present suit is also maintainable on account of Section 134 of the Trade Marks Act, 1999 and Section 62 of the Copyright Act, 1957 since the Plaintiffs are carrying on business in relation to operating and managing restaurant under the trade mark*



*DAKSHIN/ in New Delhi which is within the jurisdiction of this Hon'ble Court.* Furthermore, the effect of the Defendant's activities and damage to the Plaintiffs' goodwill and reputation, and confusion amongst the public, is being caused within the territorial jurisdiction of this Hon'ble Court, and therefore, cause of action has arisen within the territorial jurisdiction of this Hon'ble Court. It is stated that reliefs with respect to injunction and damages, as claimed by the Plaintiffs are maintainable before this Hon'ble Court and as such, this Hon'ble Court enjoys both the territorial as well as subject matter jurisdiction to hear and decide the present suit on merits and pass an effective decree."

[Emphasis supplied]

34. From a reading of the aforesaid paragraphs, it is evident that the plaintiffs have claimed jurisdiction in terms of Section 20(c) of CPC as well as Section 134 of Trade Marks Act and Section 62 of the Copyright Act. The plaintiffs have claimed jurisdiction on the basis of the following facts:

- i. The defendant is marketing, advertising and soliciting business across the country (including New Delhi) by way of its listings on e-commerce platforms, such as Zomato, Eazy Diner and social media platforms and third-party websites such as Instagram and Trip Advisor. These websites are accessible all across the country and are used for targeting customers.
- ii. The restaurant of the defendant would be associated with the restaurants operated by the plaintiffs in various cities, including Delhi.





Hence, the dynamic effect of the defendant's activities in the form of injury caused to the plaintiffs would be felt by the plaintiffs in all cities where 'DAKSHIN' restaurants are run by the plaintiffs including Delhi.

- iii. The plaintiffs' apprehension that the defendant may set up stand-alone restaurants under the impugned mark 'DAKSHIN', either by themselves or in partnership with third parties, within the jurisdiction of this Court.
- iv. In terms of Section 134 of the Trade Marks Act and Section 62 of the Copyright Act, since the plaintiffs are carrying on business of running a restaurant under the impugned mark 'DAKSHIN' in New Delhi, this Court would have the territorial jurisdiction to entertain the present suit.

JURISDICTION ON THE BASIS OF LISTINGS OF THE DEFENDANT ON THIRD-PARTY WEBSITES/ E-COMMERCE PLATFORMS/ SOCIAL MEDIA PLATFORMS

JURISDICTION ON THE BASIS OF DYNAMIC EFFECT OF THE DEFENDANT'S ACTIVITIES FELT BY THE PLAINTIFFS WITHIN THE JURISDICTION OF THIS COURT

35. On the aspect of listings of the defendant's restaurants on third-party websites, e-commerce platforms and social media websites being accessible in Delhi, the plaintiffs have placed reliance on the judgment of the Division Bench in **Banyan Tree** (supra), the relevant paragraph no. 22 of which is set out below:

*22. The difficulty experienced with the application of the Zippo sliding scale test, has paved way for the application of the 'effects' test. The courts have thus moved from a 'subjective territoriality' test (that a court will regulate an activity only if it is shown having originated in its*



territory — exemplified by the decision in *Louis Feraud Int'l SARL v. Viewfinder Inc* 406 F Supp 2d 274 (SDNY 2005)] to an 'objective territoriality' or 'effects' test in which the forum court will exercise jurisdiction if it is shown that effects of the Defendant's website are felt in the forum state. In other words it must have resulted in some harm or injury to the Plaintiff within the territory of the forum state. Since some effect of a website is bound to be felt in several jurisdictions given the nature of the internet, courts have adopted a 'tighter' version of the 'effects' test, which is intentional targeting. Thomas Schultz in his illuminative piece "Carving up the Internet : Jurisdiction, Legal Orders, and the Private/Public International Law Interface" EJIL 2008 19 (779) points out that the dynamics of jurisdiction is reasonableness and fairness. Schultz concludes that both the subjective territoriality and objective territoriality or the 'effects' test, if construed too broadly, are bound to be unfair and unreasonable. According to Schultz, a middle path had to be chosen between the too narrow ('subjective territoriality') and too broad ('effects') jurisdictional bases for better managing trans-border externalities. This middle path was 'targeting'. Schultz defines targeting to mean "in essence that the activity must be intended to have effects within the territory of the state asserting jurisdiction." According to another scholar, Professor Michael Geist ("Is There a There There? Towards Greater Certainty for Internet Jurisdiction" 16 Berkeley Tech LJ (2001) 1345 at 1357) the principle of targeting is to "identify the intentions of the parties and to assess the steps taken to either enter or avoid a particular jurisdiction." Targeting is described as "something more than effects, but less than physical presence." We now examine the decisions in which the above tests were evolved.

[Emphasis supplied]

36. A reference to the aforesaid paragraph demonstrates that while adopting the 'effects test', Courts have laid emphasis on the aspect of 'intentional targeting'. The relevant observations in *Banyan Tree* (supra) on the aspect of targeting are set out below:

"38. Having surveyed the law as it has developed in different jurisdictions, this Court is of the view that the essential principles developed as part of the common law can be adopted without difficulty by our courts in determining whether the forum court has jurisdiction



*where the alleged breach is related to an activity on the internet. At the outset, this court does not subscribe to the view that the mere accessibility of the Defendants' website in Delhi would enable this Court to exercise jurisdiction. A passive website, with no intention to specifically target audiences outside the State where the host of the website is located, cannot vest the forum court with jurisdiction. This court is therefore unable to agree with the proposition laid down in Casio.* The said decision cannot be held to be good law and to that extent is overruled.

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*41. This court is not able to accept the submission of the learned counsel for the Plaintiff that the test of “purposeful availment” must be replaced by the test of “purposeful avoidance”. While the Defendant may in his defence show how he avoided the forum state, the initial burden is on the Plaintiff to show that the Defendant “purposefully availed” itself of the jurisdiction of the forum court. The issue of incorporating filters to block access to the website by viewers located outside the forum state will have to be considered while deciding if the Defendant had “purposefully avoided” the forum state. However, that question will arise only if the Plaintiff has been able to show that the website of the Defendant is interactive and permits commercial transactions to be concluded by the Defendant with a user of the website.*

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*45. This court holds that in order to prima facie establish that the Defendant purposefully availed of the jurisdiction of this court, the Plaintiff would have to show that the Defendant engaged in some commercial activity in the forum State by targeting its website specifically at customers within that State. This is consistent with the law laid down in Cybersell and reiterated later in Toys R Us. It is also consistent with the application of the ‘tighter’ version of the ‘effects’ test which is ‘targeting’. In any action for passing off or infringement, it would have to be shown that the Defendant by using its mark intended to pass off its goods as that of the Plaintiff's. A mere hosting of a website which can be accessible from anyone from within the jurisdiction of the court is not sufficient for this purpose. Also a mere posting of an advertisement by the Defendant depicting its mark on a passive website which does not enable the Defendant to enter into any commercial transaction with the viewer in the forum state cannot satisfy the*



requirement of giving rise to a cause of action in the forum state. **Even an interactive website, which is not shown to be specifically targeted at viewers in the forum state for commercial transactions, will not result in the court of the forum state having jurisdiction. In sum, for the purposes of Section 20 (c) CPC, in order to show that some part of the cause of action has arisen in the forum state by the use of the internet by the Defendant, the Plaintiff will have to show prima facie that the said website, whether euphemistically termed as “passive plus” or “interactive” was specifically targeted at viewers in the forum state for commercial transactions. The Plaintiff would have to plead this and produce material to prima facie show that some commercial transaction using the website was entered into by the Defendant with a user of its website within the forum state and that the specific targeting of the forum state by the Defendant resulted in an injury or harm to the Plaintiff within the forum state.** Question no. (ii) is answered accordingly.”

[Emphasis supplied]

37. The Division Bench has categorically held that mere accessibility of the website within the territorial jurisdiction of a Court would not amount to specific targeting of customers within the jurisdiction of that Court, unless the plaintiff is able to demonstrate commercial transactions have been executed through the said website.

38. The scope and ambit of the ‘effects test’ as laid down by the Division Bench in **Banyan Tree** (supra), has been summarised by the Coordinate Bench in **Cable News Network v. CTVN Calcutta Television Network**, 2023 SCC Online Del 2436, the relevant paragraph of which is set out below:

*“50. From these passages, the following principles emerge:*

*(i) Whether the action is for passing off or for infringement, the plaintiff would have to show that the defendant purposefully availed itself of the jurisdiction of the forum Court; i.e., in the present case, of this Court.*



(ii) It is not enough merely to show that the website hosted by the defendant is an interactive one.

(iii) It would have, additionally, to be shown that the nature of the activity indulged in by the defendant by the use of the website was with an intention to conclude a commercial transaction with the website user.

(iv) The website must, therefore, not only be interactive, but must permit commercial transactions to be concluded by the defendant with a user of the website.

(v) Mere interactivity of the website which is accessible in the forum state would not confer jurisdiction.

(vi) The Court would have to examine

(a) the degree of interactivity,

(b) the nature of the activity permissible and

(c) whether it results in a commercial transaction.

(vii) The ‘effect’ test must be satisfied; in other words, the plaintiff must necessarily plead and show prima facie that

(a) the defendant specifically targeted the forum state,

(b) the said specific targeting, by the defendant, of the forum state, resulted in injury or harm to the plaintiff's goodwill, business or reputation, and

(c) such injury or harm also took place within the forum state.

(viii) This would require the plaintiff to be present in the forum state, and not merely the possibility of such presence in the future.

(ix) To show that an injurious effect has been felt by the plaintiff, it would have to be shown that viewers in the forum state were specifically targeted.

(x) The “effects” test would, therefore, have to be applied in conjunction with the “sliding scale” test, to determine if the forum court has jurisdiction to try a suit concerning Internet based disputes. The “sliding scale” test was devised in Zippo Mfg. Co. v. Zippo Dot Com<sup>19</sup>, as a three-pronged test for determining whether the exercise of specific personal jurisdiction over a non-resident defendant was appropriate, and requires satisfaction of



three criteria, viz. that

(a) the defendant had to have sufficient “minimum contacts” within the forum state,

(b) the claim asserted against the defendant had to arise out of those contacts and

(c) the exercise of jurisdiction had to be reasonable.”

[Emphasis supplied]

39. Applying the aforesaid principles to the facts of the case before the Court in *Cable News Network* (supra), the following observations were made:

“104. Mere interactivity, without the possibility of concluding a commercial transaction across a website, cannot constitute part of the cause of action, so as to enable a plaintiff to sue the host of the website wherever the website can be accessed. The interactivity must partake of the nature of ability to conclude a commercial transaction. It is only then that it can be said that the host of the website had purposefully targeted customers within the jurisdiction of a court, so as to render that court jurisdictionally capable of entertaining an infringement suit against the host of the website.

105. There is no material, whatsoever, on record in the plaint, to indicate that any commercial transaction could be concluded across the defendant's website within the jurisdiction of this Court. On this aspect of the matter, relatable to Section 20 of the CPC, the only case that the plaintiff has made out, in the plaint, is that the defendant's website can be accessed within the jurisdiction of this Court.”

[Emphasis supplied]

40. Based on the aforesaid findings, it was held that no cause of action had arisen within the jurisdiction of this Court on the basis of accessibility of the website within the jurisdiction of this Court.

41. Following the judgment of the Division Bench in *Banyan Tree* (supra), a Co-ordinate Bench of this Court in *Impresario Entertainment*



(supra) rejected the plaint on the ground of lack of territorial jurisdiction. In the said case, the plaintiff was running a chain of restaurants on a pan India basis and the defendant was running a restaurant in Hyderabad. It was averred in the plaint that the defendant has listed its restaurant on e-commerce platforms like ‘Zomato’, ‘Dineout’, through which a customer can make reservations for the restaurant in Hyderabad, while sitting in Delhi, the very same argument made in the present case. The Court did not accept the aforesaid submissions on behalf of the plaintiff and rejected the plaint under Order VII Rule 10 of CPC on the ground of jurisdiction. Noting the fact that the defendant was running its restaurant in Hyderabad and the registered office of the plaintiff was in Mumbai, the Court held that this Court did not have territorial jurisdiction in terms of Section 134(2) of the Trade Marks Act. The relevant observations of the Court in paragraph no. 9 of *Impresario Entertainment* (supra) are set out below:

“9. This Court in Para 18 also noted paragraph 61 of the plaint dealing with the territorial jurisdiction and held that even if the defendant has been able to attract customers from other jurisdiction including by way of Zomato and Dine-Out, the services of defendant cannot be availed unless the customers go to Hyderabad. Thus, through Zomato and Dine-Out the customers will only be able to invite customers and reserve a table at the restaurant of the defendant at Hyderabad. The commercial transaction will take place only at Hyderabad once the defendant avails the services there. Merely booking at Delhi for availing the services of defendant at Hyderabad will not give rise to cause of action at Delhi resulting in jurisdiction to the plaintiff on the said ground as the plaintiff does not have its registered office at Delhi nor the cause of action has arisen in Delhi.”

[Emphasis supplied]

42. On behalf of the plaintiffs, it has been submitted that the judgment in *Impresario Entertainment* (supra) has been overruled by a judgment passed



by the Division Bench of this Court in *Jabir Hussain v. Ali Asgar*, RFA(COMM) 88/2024 [decided on 15<sup>th</sup> April 2024].

43. I have perused the aforesaid judgment of the Division Bench. Though, a reference has been made to *Impresario Entertainment* (supra) [paragraph 5 of Division Bench judgment in *Jabir Hussain* (supra)], there is nothing to suggest that the said judgment has been overruled by the Division Bench. On the facts of the said case and based on the averments made in the plaint, the Division Bench held that the suit cannot be rejected under Order VII Rule 10 of CPC. In the said case it was specifically pleaded that the defendant was planning to operate a physical restaurant in north-west Delhi. Relying upon *Allied Blenders & Distillers v. Prag Distillery* (supra), the Division Bench reiterated that the considerations while deciding an application under Order VII Rule 10, CPC are different from deciding an interim injunction application. In the former case, only the averments made in the plaint are required to be examined, however, in the latter case, the considerations are not confined to the averments made in the plaint.

44. Now, I shall proceed to apply the aforesaid legal principles to the facts of the present case.

45. In the present case also, the plaintiffs claim that the reservation for the defendant's restaurant in Chennai can be made sitting in Delhi and in this regard they have filed an affidavit dated 21<sup>st</sup> April, 2025. Even though a reservation/ booking can be made through an e-commerce website, but the person would have to visit the restaurant to avail its services and conclude a commercial transaction. Despite making a reservation, a customer may not visit the restaurant or may even cancel the reservation. Therefore, the commercial transaction cannot be linked to reservation. The 'commercial





transaction’ would take place when the customers physically dine in the restaurant in Chennai and make payment for the same there. It is not the case of the plaintiffs that the defendant is delivering food in Delhi on the basis of orders placed through any e-commerce platforms. Hence, it cannot be said that any commercial transaction takes place in Delhi or that there is specific targeting of consumers in Delhi through the website.

46. It has strenuously been argued on behalf of the plaintiffs that the dynamic effects of the infringing act of the defendant would be felt within the jurisdiction of this Court. It is argued that if a customer of the plaintiffs was to eat at the defendant’s ‘DAKSHIN’ restaurant in Chennai and does not have a good experience, the same would also affect the goodwill and reputation of the plaintiffs in Delhi. Hence, it is argued that the dynamic effect would be felt in Delhi.

47. The plaintiffs have only placed on record some negative reviews by the customers who visited the defendant’s restaurant in Chennai. Nothing has been placed on record to show that the reputation/goodwill of the plaintiffs’ restaurant in Delhi was adversely affected by the customer reviews in relation to the defendant’s restaurant in Chennai. There is nothing to show that any of the plaintiffs’ customers associated the defendant’s restaurant with that of the plaintiffs.

48. In this regard, the plaintiffs have placed reliance on the judgment of *Girdhari Lal* (supra) and *Fast Cure Pharma* (supra).

49. In *Girdhari Lal* (supra), the Full Bench of this Court was considering the aspect of jurisdiction to entertain a petition for cancellation of a design registration under Section 51A of the Designs Act, 2000. It was in that context that the Court used the expression ‘dynamic effect’ to explore



whether the effect of registration travels beyond a place of jurisdiction where it is registered.

50. In *Fast Cure Pharma* (supra), the Court held that a petition for rectification or revocation under Sections 47, 57 of the Trade Marks Act can be filed in a territory where the dynamic effect of the registration is felt. In this regard, reference may be made to the relevant paragraph no. 39 of the said judgment, which is set out below:

*“39. The “dynamic effect” principle thus enunciated by the Full Bench nearly half a century ago has now expanded to the point where an infringement suit can be instituted, in the case of a defendant which sells its goods, or provides its services online, before any Court which has jurisdiction over any place from where the goods could be purchased or the services accessed. Gone are the days when there had to be a physical use of the impugned mark within the territorial jurisdiction of the Court which the petitioner sought to petition. **With the expansion of the internet, and the access, by persons anywhere in the country, to goods and services though they may originate from some distant site, a litigant is free to file an infringement, or passing off, suit, before any Court within whose jurisdiction “use” of the impugned mark takes place, even if merely by making the goods bearing the mark available for sale and purchase online, with or without proof of actual sale or purchase.** The “dynamic effect” of the registration is, therefore, felt within every such jurisdiction.”*

[Emphasis supplied]

51. The judgments in *Girdhari Lal* (supra) and *Fast Cure Pharma* (supra) as discussed above are in the context of cancellation/ rectification of a registered mark. Therefore, these judgments would have no application in the present case which is an action based on infringement/ passing off.

52. Even otherwise it is evident from a reading of the aforesaid extracts, the observations were made in the context of goods and services bearing the impugned mark being available for sale and purchase online at a jurisdiction



other than the place where the mark was registered. Hence, these findings may be relevant in cases where goods/services are sold through internet. However, these findings would not be applicable in respect of services offered by a restaurant as explained above.

53. To be noted, another Co-ordinate bench in ***Hershey Co. v. Dilip Kumar Bacha*** (2024) 1 HCC (Del) 461, has referred ***Girdhari Lal*** (supra) for reconsideration by a Larger Bench, which is still pending.

54. The plaintiffs have also placed reliance on the judgment of the Division Bench of this Court in ***Tata sons v. Hakuna Matata*** (supra) setting aside the order of a Single Bench, which did not grant *ad-interim* injunction on the basis of doubts expressed with regard to territorial jurisdiction. The relevant paragraphs of the said judgment are set out below:

*“22. We are in complete agreement with the above view of the English court. Even if a website is not directed at customers in a particular country, the fact that they are not restricted by the website to have access to it, is enough to characterise it as targeting. Targeting need not be a very aggressive act of marketing aiming at a particular set of customers. Mere looming presence of a website in a geography and ability of the customers therein to access the website is sufficient, in a given case. It may not be forgotten that in the matters of infringement of trade mark, it is the possibility of confusion and deception in the mind of public due to infringing trade mark that is good enough for the court to grant injunction.*

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*24. According to us, it was open for the learned Single Judge to dismiss the suit wholesale for want of jurisdiction, if he so opined. Once the learned Single Judge could ignore his own self-doubts about the territorial jurisdiction to entertain the suit, he had no reason to persist with those self-doubts for the purposes of deciding the application for ad interim injunction and reject the same outrightly and conclusively. Learned Single Judge could have deferred a*



*decision on the ad interim application an awaited respondents' response to the suit and application after notice. But the learned Single Judge opted to outrightly dismiss the application instead.*

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*26. Courts can grant interim injunction, pending final determination of issue of territorial jurisdiction, which often is a mixed question of law and facts, after trial.”*

55. The judgment in ***Tata sons v. Hakuna Matata*** (supra) would not come to the aid of the plaintiffs as in that case, the visitors to the defendant's websites could purchase cryptocurrency that was sold by the defendant using the infringing mark. Therefore, commercial transaction could be concluded on the website of the defendant.

56. Based on the discussion above, on a *prima facie* view, the plaintiffs have failed to establish jurisdiction on the basis of listings of the defendant on third-party websites/ e-commerce platforms/ social media platforms or on the basis of dynamic effects of the defendant's activities being felt within the jurisdiction of this Court.

APPREHENSION OF THE PLAINTIFFS THAT THE DEFENDANT MAY SET UP STANDALONE RESTAURANTS UNDER THE IMPUGNED MARK 'DAKSHIN', EITHER BY THEMSELVES OR IN PARTNERSHIP WITH THIRD PARTIES, WITHIN THE JURISDICTION OF THIS COURT

57. On behalf of the plaintiffs, reliance has been placed on the judgment of the Division Bench in ***Teva Pharmaceutical Industries Ltd. v. Natco Pharma***, (2014) 210 DLT 591, in support of its contention that the present suit qualifies as a legitimate *quia timet* action. The Court in the said case rejected the application filed by the plaintiffs under Order VII Rule 11 of



CPC, holding that for the purposes of the said application, the Court only had to see averments made on a demurer. The Court cannot take into account the statement made by the defendant that it does not intend to do business within the jurisdiction of this Court.

58. In the present case, the defendant is not seeking rejection of the plaint under Order VII Rule 10 of CPC and hence, the findings in the aforesaid judgement would not come to the aid of the plaintiffs. Instead the defendant seeks refusal of grant of interim injunction on the ground of lack of territorial jurisdiction of this Court.

59. In *New Life Laboratories* (supra), a Co-ordinate Bench held that the plaintiff has failed to place any material in support of the apprehension that the defendants may expand their activities in Delhi. Hence, the Court declined interim injunction in favour of the plaintiff. The relevant observations of the Court in paragraph nos. 23 to 27, which are apposite for the purposes of deciding the captioned application are set out below:

“23. The position in law, in cases such as this, is, therefore, that, while it is perfectly permissible for a plaintiff to institute a suit, quia timet or otherwise, on the basis of a perceived future infringement of the plaintiff’s registered trademarks, if the plaintiff is to invoke the territorial jurisdiction of a court for institution of such a suit, it is for the plaintiff to prove and establish that there is some tangible or reasonable material justifying the plaintiff’s apprehension that the defendant is likely to commit infringement within the territorial jurisdiction of the court concerned.

24. No doubt, in the present case, the averment of such an apprehension is contained in para 56 of the plaint, as a result of which it may not be possible at this stage to return the plaint for want of territorial jurisdiction as it would always be permissible for the plaintiff to, in trial, by leading evidence, substantiate the said averments as contained in para 56 of the plaint.



25. As things stand today, however, this Court has nothing with it, except a bald averment in para 56, that the defendant is likely to commit infringement of the plaintiff's registered trademarks within the territorial jurisdiction of this Court. If, on the basis of such a bald averment, the court is to pass injunctive orders, it would result in a situation in which, by merely making a completely unsubstantiated, and possibly imaginary, averment of apprehension of future infringement within the territorial jurisdiction of a court, a plaintiff would be able to secure injunctive orders to the prejudice of a defendant, even without any material on record to substantiate the basis of such apprehension. That, in my considered opinion, cannot be the correct legal position.

26. As a result, it is not possible for me, today, to pass any orders on the plaintiff's application under Order XXXIX Rules 1 and 2 of the CPC.

27. If, at any future point of time, the plaintiff is in a position to substantiate the averments contained in para 56 of the plaint by tangible material, no doubt, the court can revisit the issue and pass appropriate orders."

[Emphasis supplied]

60. Apart from expressing apprehension that the defendant may expand its operations and open restaurants in other parts of India including New Delhi, nothing has been placed on record in support of this averment.

61. In fact the defendant has stated in its written statement that the defendant neither has any commercial presence nor any business activity/ office within the jurisdiction of this Court.

62. In the present case, it is an admitted position that plaintiffs and the defendant were jointly running the restaurant under the mark 'DAKSHIN' since 1989 in collaboration with each other in the city of Chennai till October, 2015. After 2015, when the collaboration between the plaintiffs and the defendant came to an end, the defendant started running the



restaurant in collaboration with a third party till 31<sup>st</sup> December, 2023 and from October 2024 on its own.

63. It is an admitted position that the defendant has not opened any restaurant outside Chennai. Further, the defendant has clearly stated that it has no intention of establishing any activity within the jurisdiction of this Court. While these factors/pleadings in the written statement may not be relevant for the purposes of rejection of the plaint under Order VII Rule 10 of CPC, they would surely be relevant for the purposes of deciding the application.

64. In the present facts and circumstances, on a *prima facie* view, plaintiffs' apprehension that the defendant may set up stand-alone restaurants under the impugned mark 'DAKSHIN' within the jurisdiction of this Court and on that basis claiming jurisdiction, is unsubstantiated.

JURISDICTION IN TERMS OF SECTION 134 OF THE TRADE MARKS ACT, 1999  
AND SECTION 62 OF THE COPYRIGHT ACT, 1957

65. Now, I shall deal with the aspect of territorial jurisdiction in terms of Section 134 of the Trade Marks Act and Section 62 of the Copyright Act. The aforesaid provisions provide for a 'long-arm jurisdiction' in favour of the plaintiffs.

66. The Supreme Court in ***Indian Performing Rights Society Ltd. v. Sanjay Dalia***, (2015) 10 SCC 161 held that where the cause of action arises wholly or in part at the location of its principal office/ head office, the plaintiff cannot file a suit at a far-flung place on the basis that it also has a subordinate office at such other place, even if no cause of action arises there. Paragraph nos. 18 and 19 of the said judgment are set out below:



“18. On a due and anxious consideration of the provisions contained in Section 20 CPC, Section 62 of the Copyright Act and Section 134 of the Trade Marks Act, and the object with which the latter provisions have been enacted, it is clear that if a cause of action has arisen wholly or in part, where the plaintiff is residing or having its principal office/carries on business or personally works for gain, the suit can be filed at such place(s). The plaintiff(s) can also institute a suit at a place where he is residing, carrying on business or personally works for gain dehors the fact that the cause of action has not arisen at a place where he/they are residing or any one of them is residing, carries on business or personally works for gain. However, this right to institute suit at such a place has to be read subject to certain restrictions, such as in case the plaintiff is residing or carrying on business at a particular place/having its head office and at such place cause of action has also arisen wholly or in part, the plaintiff cannot ignore such a place under the guise that he is carrying on business at other far-flung places also. The very intendment of the insertion of provision in the Copyright Act and the Trade Marks Act is the convenience of the plaintiff. The rule of convenience of the parties has been given a statutory expression in Section 20 CPC as well. The interpretation of provisions has to be such which prevents the mischief of causing inconvenience to the parties.

19. The intendment of the aforesaid provisions inserted in the Copyright Act and the Trade Marks Act is to provide a forum to the plaintiff where he is residing, carrying on business or personally works for gain. The object is to ensure that the plaintiff is not deterred from instituting infringement proceedings “because the court in which proceedings are to be instituted is at a considerable distance from the place of their ordinary residence”. The impediment created to the plaintiff by Section 20 CPC of going to a place where it was not having ordinary residence or principal place of business was sought to be removed by virtue of the aforesaid provisions of the Copyright Act and the Trade Marks Act. Where the corporation is having ordinary residence/principal place of business and cause of action has also arisen at that place, it has to institute a suit at the said place and not at other places. The provisions of Section 62 of the Copyright Act and Section 134 of the Trade Marks Act never intended to operate in the field where the plaintiff is having its principal place of business at a particular place and the cause of action has also arisen at that place so as to enable it to file a suit at a





*distant place where its subordinate office is situated though at such place no cause of action has arisen. Such interpretation would cause great harm and would be juxtaposed to the very legislative intendment of the provisions so enacted.”*

[Emphasis supplied]

67. The judgment of **Sanjay Dalia** (supra) was followed by judgment of Division Bench in **Ultra Homes Construction v. Purushottam Kumar Chaubey**, 2016 SCC Online Del 376. The relevant observations in paragraph nos. 14 and 15 of **Ultra Homes** (supra) are set out below:

*“14. It is evident from the above observations that the interpretation given to the expression “carries on business” in the context of a defendant under section 20 of the Code has also been employed in the context of a plaintiff under the said sections 134(2) and 62(2). Thus, in addition to the places where suits could be filed under section 20 of the Code, the plaintiff can also institute a suit under the Trade Marks Act, 1999 and the Copyright Act, 1957, as the case may be, by taking advantage of the provisions of section 134(2) or section 62(2), respectively. Both the latter provisions are in pari materia. Under these provisions four situations can be contemplated in the context of the plaintiff being a corporation (which includes a company). First of all, is the case where the plaintiff has a sole office. In such a case, even if the cause of action has arisen at a different place, the plaintiff can institute a suit at the place of the sole office. Next is the case where the plaintiff has a principal office at one place and a subordinate or branch office at another place and the cause of action has arisen at the place of the principal office. In such a case, the plaintiff may sue at the place of the principal office but cannot sue at the place of the subordinate office. The third case is where the plaintiff has a principal office at one place and the cause of action has arisen at the place where its subordinate office is located. In this eventuality, the plaintiff would be deemed to carry on business at the place of his subordinate office and not at the place of the principal office. Thus, the plaintiff could sue at the place of the subordinate office and cannot sue (under the scheme of the provisions of section 134(2) and 62(2)) at the place of the principal office. The fourth case is where the cause of action neither arises at the place of the principal office nor at the place of the subordinate office but at some other place. In this case, the plaintiff would be deemed to carry on*



*business at the place of its principal office and not at the place of the subordinate office. And, consequently, it could institute a suit at the place of its principal office but not at the place of its subordinate office. All these four cases are set out in the table below for greater clarity:*

S. No.	Place of Plaintiff's Principal Office (Sole office in s. no. 1)	Place of Plaintiff's Subordinate/Branch Office	Place where cause of action arose	Place where Plaintiff can additionally sue under section 134(2) and section 62(2)
1	A	--	C	A
2	A	B	A	A
3	A	B	B	B
4	A	B	C	A

**15. The present case falls under S. No. 3 in the above table. The appellant/plaintiff has its principal office in Delhi (place A). Its subordinate office is at Deogarh, Jharkhand (place B) where it runs one of its hotels (Amrapali Clarks Inn), albeit in collaboration with Clarks Inn hotels. The alleged cause of action has accrued at Deogarh, Jharkhand (place B). Therefore, the appellant/plaintiff could, in respect of the alleged cause of action in this suit, institute a suit against the defendants at Deogarh, Jharkhand (place B) but not in Delhi. Thus, the conclusion arrived at by the learned single judge that this court did not have the territorial jurisdiction to entertain the suit cannot be faulted.**

[Emphasis supplied]

68. Applying the principles of the aforesaid cases to the facts of the present case, it is an undisputed position that the registered office of the plaintiffs is in Kolkata. Even though the plaintiffs have an office in Delhi, in view of my *prima facie* finding that no cause of action has arisen within the jurisdiction of this Court, this Court would not have jurisdiction only on the basis of the plaintiffs having an office in Delhi. In my *prima facie* view, the cause of action in the present case has arisen in Chennai, where as per



the averments made in the plaint itself, the plaintiff has subordinate office<sup>1</sup>.

69. Therefore, in my *prima facie* view, this Court does not have jurisdiction to entertain the present suit in terms of Section 134 of the Trade Marks Act and Section 62 of the Copyright Act.

#### FINDING – TERRITORIAL JURISDICTION

70. In view of the discussion above, the plaintiffs have failed to make out a *prima facie* case on the aspect of territorial jurisdiction of this Court, and hence, would not be entitled to grant of interim injunction.

#### **On Merits**

71. Though the Court would be inclined to dismiss the present application in view of a *prima facie* finding of lack of territorial jurisdiction, since counsel for the parties have extensively argued on the merits of the matter, I deem it appropriate to give my findings on merits as well.

72. It is an admitted position that both the plaintiffs and the defendant are registered proprietors of the mark ‘DAKSHIN’ in the relevant class i.e. Class 42. In their respective registration applications, both the plaintiffs and the defendant claim user from April, 1989. Therefore, in terms of Section 28 (3) of the Trade Marks Act, 1999, no infringement action can lie against the defendant unless its registration is declared to be invalid. For ease of reference, Section 28(3) of the Trade Marks Act is set out below:

**“28. Rights conferred by registration.-**

(1) ...

(2) ...

(3) *Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the*

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<sup>1</sup> Paragraph 10 of the plaint.



*exclusive right to the use of any of those trade marks shall not ( except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor.”*

73. Even though the plaintiffs have pleaded that the registration obtained by the defendant is invalid, no rectification/ cancellation petition has been filed in this regard till date. Accordingly, in terms of Section 31 of the Trade Marks Act, a presumption has to be drawn in favour of the validity of the defendant’s registered mark at this stage.

74. A reference may also be made to Section 30 of the Trade Marks Act which provides for statutory defenses available against infringement of trademarks. Section 30(2)(e)<sup>2</sup> of the Trade Marks Act provides that if the defendant is also a registered owner of an identical trademark, the use of the same by the defendant would not amount to infringement.

75. Therefore, in my *prima facie* view, a case for infringement cannot be made out and the present case has to be adjudicated on the principles of passing off. In this regard, reference may be made to the judgment in **S. Syed Mohideen v. P. Sulochana Bai**, (2016) 2 SCC 683, where the Supreme Court held that the right to bring an action for passing off is not affected by the registration of a trademark under the Trade Marks Act.

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<sup>2</sup> 30. **Limits on effect of registered trade mark.**—

(2) A registered trade mark is not infringed where—

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(e) the use of a registered trade mark, being one of two or more trade marks registered under this Act which are identical or nearly resemble each other, in exercise of the right to the use of that trade mark given by registration under this Act.



76. To appreciate the rival submissions, it may be relevant to note some of the undisputed facts obtaining in the present case.

77. The plaintiffs and the defendant entered into an Operating Services Agreement on 12<sup>th</sup> February, 1985 for the purposes of running a luxury hotel in Chennai. Under the said Agreement, the defendant, which was owner of the property where the hotel was to operate, engaged the services of the plaintiffs for running of the hotel. The hotel began to operate in the year 1985 under the name ‘Welcomgroup Park Sheraton’.

78. In the year 1989, the parties conceived an idea of opening a South Indian Cuisine Restaurant under the name ‘DAKSHIN’. The restaurant began to run from 14<sup>th</sup> April 1989.

79. In April, 1996, the ‘DAKSHIN’ restaurant was established by the plaintiff no.1 in its hotel in Hyderabad, i.e., ITC Kakatiya, Hyderabad.

80. On 8<sup>th</sup> February 1997, plaintiff no.1 entered into another similar Operating Services Agreement with the defendant for a property owned by the defendant in Visakhapatnam and the ‘DAKSHIN’ restaurant started operating there from February, 1997.

81. Subsequently, the plaintiffs opened the ‘DAKSHIN’ restaurants in their other hotels all over the country, such as Bangalore (1999) and Mumbai (2005), including at its hotel in New Delhi in February, 2002.

82. The Operating Services Agreement between the plaintiff no.1 and the defendant in respect of the Welcomgroup Park Sheraton Hotel in Chennai (hereinafter the ‘Chennai Hotel’) came to an end on 31<sup>st</sup> March, 2015. Thereupon, the defendant entered into an Agreement with another third-party operator InterContinental Hotel Chain, which was a competitor of the plaintiffs, and the hotel was renamed as “Crowne Plaza Chennai Adyar



Park”. However, the restaurant under the name ‘DAKSHIN’ continued to run at the said hotel. The plaintiffs did not raise any objection to the same.

83. On 31<sup>st</sup> December 2023, the said hotel in Chennai ceased operations and the building was demolished to be replaced with a luxury apartment complex. In October, 2024, the defendant opened a standalone restaurant named ‘DAKSHIN’ which continues to operate in Chennai.

#### DOCUMENTS FILED BY THE PARTIES

84. Both the plaintiffs and the defendant claim that they are the ones who conceived and operated the ‘DAKSHIN’ restaurant at the Chennai hotel and therefore, claim rights in the said trademark. Both sides have filed voluminous documents in support of their respective contentions.

85. The defendant has placed on record various documents to show that ‘DAKSHIN’ restaurant was conceptualized by the defendant, which include the following:

- i. Excerpts from S. Muthiah’s ‘TT Vasu The man who could never say ‘No’’ (2016) (*Pg nos.1-11 of defendant’s additional documents dated 12<sup>th</sup> August 2025 [Vol. II] @ 9*).
- ii. Madras Heritage and Carnatic Music, ‘The story of #Adyar Gate’ published on 3<sup>rd</sup> February 2022 (*Pg nos.68-81 of defendant’s additional documents dated 12<sup>th</sup> August 2025 [Vol. II] @ 76-77*).
- iii. The New York Times, ‘Fare of the Country’ published on 21<sup>st</sup> October 1990 (*Pg nos.89-96 of defendant’s additional documents dated 12<sup>th</sup> August 2025 [Vol. II] @ 92-93*).
- iv. Document regarding conceptualization of a South Indian Restaurant in the name of ‘DAKSHIN’ (*Pg nos.11-18 of*



- defendant's documents [Vol. I]).*
- v. Documents in respect of architectural and interior designs for 'DAKSHIN' restaurant (*Pg nos.19-34 of defendant's documents [Vol. I]).*
  - vi. Annual report for the year 1988-89 which shows that the restaurant 'DAKSHIN' was commissioned by the defendant in the said financial year (*Pg nos.41-67 of defendant's additional documents dated 12<sup>th</sup> August 2025 [Vol. II] @ 44).*
86. The defendant has also placed on record the following documents to show that it was operating the 'DAKSHIN' restaurant:
- i. CA certificate showing the defendant's turnover from the restaurant 'Dakshin' at its hotel in Chennai (*Pg nos.51-52 of defendant's documents [Vol. I]).*
  - ii. Invoices generated by the defendant in respect of services provided at the 'DAKSHIN' restaurant from 2016-2024 (*Pg nos.53-63 of defendant's documents [Vol. I]).*
  - iii. Various promotions carried out by the defendant at 'DAKSHIN' restaurant (*Pg nos.65-68 of defendant's documents [Vol. I]).*
  - iv. Public Performance License to play music at the restaurant, which is in the name of the defendant (*Pg no.123 of defendant's additional documents dated 12<sup>th</sup> August 2025 [Vol. II]).*
87. The plaintiffs have placed on record documents to show their user and goodwill in respect of the mark 'DAKSHIN', which include the following:
- i. Invoices pertaining to the 'DAKSHIN' restaurant in Chennai prior to 2015 (*Pg nos. 56 to 62 of the plaintiffs' additional documents dated 10<sup>th</sup> July 2025).*



- ii. CA certificate showing the plaintiffs' turnover from the restaurant 'DAKSHIN' at its various hotels for the financial years 2014-15 to 2023-24 (*Pg nos.579 to 581 of the plaintiffs' documents*).
- iii. News articles in leading publishing houses and magazines pertaining to the plaintiffs' 'DAKSHIN' restaurants (*Pg nos. 803-886 of the plaintiffs' documents*).
- iv. Brochures and pamphlets published by the plaintiffs to promote their 'DAKSHIN' restaurants across India (*Pg nos. 887-974 of the plaintiffs' documents*).
- v. Awards and recognitions bestowed upon plaintiff no.1 (*Pg nos. 975-993 of the plaintiffs' documents*).
- vi. Extracts from social media accounts of the plaintiffs have been filed to show the extensive use and promotions carried out by the plaintiffs in respect of 'DAKSHIN' restaurants (*Pg nos. 997-1020 of the plaintiffs' documents*).

#### ANALYSIS OF THE DOCUMENTS RELIED UPON BY THE PARTIES

88. Documents filed by the defendant indicate that the idea of opening a South Indian restaurant in the name of 'DAKSHIN' was conceived by Mr. TT Vasu, Chairman of the defendant no.1 company. For the purposes of preparing traditional South Indian dishes, he had hired one Mr. Paramasivam Iyer, who was his brother's cook. The advertising agency, Hindustan Thompson Associates (hereinafter 'HTA') was given the brief to come out with a name for the restaurant. Out of the names suggested by HTA, the name 'DAKSHIN' was finalized.

89. The plaintiffs and the defendant were running the 'DAKSHIN'





restaurant in Chennai in collaboration with each other from 1989 to 2015. Documents placed on record by the defendant show that the defendant continued to run and promote the restaurant in Chennai even after its association with the plaintiffs came to an end.

90. A perusal of the invoices filed by the plaintiffs would show that though the invoices mentioned the name ‘Sheraton Park Hotel and Towers’, the particulars on the invoices such as the registered office address; PAN; VAT; Service Tax number; FSSAI Registration, are that of the defendant. The plaintiffs have failed to place on record any document to show that the plaintiffs have used the mark ‘DAKSHIN’ at any of their hotels at an earlier point of time.

91. Therefore, on a *prima facie* analysis of the documents filed by the parties, I am of the view that the defendant was involved in conceptualization of a South Indian restaurant under the name of ‘DAKSHIN’ and was involved in running the same from 14<sup>th</sup> April 1989 till 31<sup>st</sup> December 2023 at its hotel in Chennai.

#### OPERATING SERVICES AGREEMENT DATED 12<sup>TH</sup> FEBRUARY 1985

92. Both sides have extensively relied upon the terms of the Operating Services Agreement entered into between the parties on 12<sup>th</sup> February 1985. Under the Operating Services Agreement, the role of the plaintiffs was that of a service provider<sup>3</sup>. The Agreement also provided the details of the service fee and incentive fee payable to plaintiffs<sup>4</sup>.

93. It is contended on behalf of the plaintiffs that the plaintiffs were not

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<sup>3</sup> Article II of the Operating Services Agreement dated 12.02.1985, page 167 of plaintiffs’ documents (Vol. I).

<sup>4</sup> Article V of the Operating Services Agreement dated 12.02.1985, page 174 of the plaintiffs’ documents.



mere consultants instead they had independent control over the operations of the Chennai Hotel, including its branding and brand value. The plaintiffs spent considerable amount of time and financial resources to build the trademark 'DAKSHIN'.

94. Under the Agreement, marketing and advertising were the responsibility of the plaintiffs<sup>5</sup>. Therefore, even if some amount of marketing and promotion was carried out by the plaintiffs, it would be in terms of their contractual obligations.

95. On behalf of the plaintiffs, major reliance has been placed on Article XIII of the Operating Services Agreement in support of its contention that, under the said Agreement, the plaintiffs alone had rights over the mark 'DAKSHIN'. For the sake of convenience, Article XIII of the Operating Services Agreement is set out below:

*"1. To facilitate recognition of quality of standing and acceptance of the Hotel through ITC's India-wide network and subject to the Hotel and all its facilities being certified by ITC as meeting the standards and specifications of the WELCOMGROUP chain **ITC shall allow the utilisation and use by the Hotel of such of ITC's Trade Names Trade Marks and Signs and any other identifying marks sign logos emblems present and future as may be decided by ITC's Hotels Division at its sole discretion.***

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*4. The above—stated trade names trade marks signs logos emblems and other identifying symbols **shall at all times be and remain the exclusive property of ITC** and Owner undertakes not to sub-lease or sub-licence or utilise any or all of such trade names trade marks signs logos emblems etc. for the benefit of any other Hotel of the Owner or any other business of the Owner - present and future.*

*5. The Owner agrees that it will always acknowledge and recognise **both***

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<sup>5</sup> Article IV read with Appendix II of the Operating Services Agreement dated 12.02.1985, page nos. 172, 209-224 of the plaintiffs' documents.



**before-and after the expiration of this Agreement the exclusive right of ITC to use or to grant to others the right or licence to use whether separately or as part of or in connection with other words slogans symbols designs any of the trade names trade marks emblems signs logos or other identifying symbols which may now or in future be generally used in connection with the operation of any of the ITC-owned and/or serviced Hotels restaurants motels resorts palaces indovilles etc.”**

[Emphasis supplied]

96. In my *prima facie* view, reliance placed by the plaintiffs on the aforesaid clause (1) of Article XIII to claim that the plaintiffs were the owner of the trademark ‘DAKSHIN’ is completely misplaced. The aforesaid clause only refers to ‘*such of ITC’s trade name and trademarks*’. It is a matter of record that the mark ‘DAKSHIN’ was conceived only in the year 1989 whereas the said Agreement was signed in 1985. Admittedly, the plaintiffs had not used the name ‘DAKSHIN’ in any of the restaurants in its hotels at an earlier point of time. Therefore, ‘DAKSHIN’ could not have been a part of the ‘*ITC’s trade name and trade marks*’ under the Agreement.

97. In so far as the aforesaid clause refers to ‘*any other identifying marks present or future as may be decided by ITC’s Hotels Division at its sole discretion*’, it is a matter of record that the plaintiffs have never communicated to the defendant regarding ‘DAKSHIN’ being a mark/ logo that belonged to the plaintiffs and which was permitted to be used by the defendant. The aforesaid Agreement was amended on many occasions, however, the mark ‘DAKSHIN’ was never added to the list of trademarks owned by the plaintiffs.

98. Therefore, on a reading of the Operating Services Agreement, I am not satisfied that the plaintiffs were the owners of the mark ‘DAKSHIN’.



MISREPRESENTATION TO OBTAIN TRADEMARK REGISTRATION

99. The plaintiffs applied for trademark registrations on 13<sup>th</sup> September 2000 in respect of the mark 'DAKSHIN' in classes 29 and 30 on a '*proposed to be used*' basis. Subsequently, the plaintiffs amended the two trademark applications and claimed user since April, 1989. The amendments were allowed on 17<sup>th</sup> August 2005. The two trademark registrations were granted in favour of the plaintiffs in September, 2006. The plaintiffs' trademark application under class 42 in respect of restaurants was filed on 10<sup>th</sup> February 2004 and claimed user from 11<sup>th</sup> April 1996. Even though, plaintiffs filed amendment applications in respect of its trademark applications in classes 29 and 30 to claim user from April, 1989, no amendment in respect of the application under class 42 was filed.

100. The defendant filed a trademark application dated 7<sup>th</sup> August 1990 in respect of the mark 'DAKSHIN' which was later abandoned. Subsequently, the defendant filed another application dated 23<sup>rd</sup> April 2004 and obtained trademark registration in respect of the mark 'DAKSHIN' in class 42, claiming user since 14<sup>th</sup> April 1989, the date on which the 'DAKSHIN' restaurant began operations.

101. It has been contended on behalf of the plaintiffs that the defendant has obtained registration of the mark 'DAKSHIN' by misrepresentation. It is submitted that in response to the objection raised by the Trade Marks Registry citing the plaintiffs' registration, the defendant falsely stated that the cited mark belongs to a group company of the defendant and therefore the refusal may be waived.

102. Admittedly, the plaintiffs and the defendant were in a collaboration at that point of time. Therefore, the defendant loosely referring to the plaintiffs



as a group company cannot be said to be an act of misrepresentation. In fact, in the affidavit filed by the defendant before the Trade Marks Registry, the defendant has categorically stated that it has been using the mark 'DAKSHIN' since 14<sup>th</sup> April 1989 and has also provided its annual sales turnover in respect of the said mark.

103. To be noted, the plaintiffs never filed any opposition petition against the defendant's trademark application. It is also a matter of record that plaintiffs have not filed any rectification in respect of the defendant's registration of the trademark 'DAKSHIN'. Therefore, in my view, it cannot be stated that the defendant obtained the registration of the mark 'DAKSHIN' by way of misrepresentation.

WHETHER THE TEST FOR PASSING OFF IS SATISFIED?

104. In *Ramdev Food Products (P) Ltd. v. Arvindbhai Rambhai Patel*, (2006) 8 SCC 726, the Supreme Court has laid down the test for passing off. The relevant paragraph of the said judgment is set out below:

“ “.....In an action for infringement where the defendant's trade mark is identical with the plaintiff's mark, the court will not enquire whether the infringement is such as is likely to deceive or cause confusion. The test, therefore, is as to likelihood of confusion or deception arising from similarity of marks, and is the same both in infringement and passing off actions.”

20. The tests for passing off are :-

(1) a misrepresentation,

(2) made by a trader in the course of trade,

(3) to prospective customers of his or ultimate consumers of goods or services supplied by him,

(4) which is calculated to injure the business or goodwill of another trader (in the sense that is a reasonably foreseeable consequence), and



(5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia timet action) will probably do so.”

[Emphasis supplied]

105. Applying the aforesaid test to the facts of the present case at a *prima facie* stage, it cannot be stated that there is any misrepresentation by the defendant. I have already taken a *prima facie* view above that the defendant conceived the mark ‘DAKSHIN’ and has been running the said restaurant under the mark ‘DAKSHIN’ since April, 1989. Even after the association between the parties came to an end, the defendant continued using the mark ‘DAKSHIN’ independently without mentioning any association with plaintiffs. On account of its continuous user, the defendant appears to have acquired goodwill and reputation in the mark ‘DAKSHIN’ in Chennai. Therefore, this is not a case where the defendant has copied the mark of the plaintiffs so as to ride on the goodwill or reputation of the plaintiffs.

106. The plaintiffs have failed to produce any material to show that any of the customer of plaintiffs’ ‘DAKSHIN’ restaurants has associated the defendant’s ‘DAKSHIN’ restaurant in Chennai with that of the plaintiffs or that such customer had a negative experience at the defendant’s restaurant at Chennai for which he has complained to the plaintiffs. Therefore, there is nothing to suggest that the defendant’s activities have caused or are likely to cause any damage to the goodwill or reputation of the plaintiffs.

107. At a *prima facie* stage, the plaintiffs have failed to make out a case for passing off.

#### ACQUIESCENCE

108. To deal with the aspect of acquiescence, it may be relevant to



examine Section 33 of the Trade Marks Act, 1999. For ease of reference, Section 33 of the Trade Marks Act is set out below:

*“33. **Effect of acquiescence.**—(1) Where the proprietor of an earlier trade mark has acquiesced for a continuous period of five years in the use of a registered trade mark, being aware of that use, he shall no longer be entitled on the basis of that earlier trade mark—*

*(a) to apply for a declaration that the registration of the later trade mark is invalid, or*

*(b) to oppose the use of the later trade mark in relation to the goods or services in relation to which it has been so used, unless the registration of the later trade mark was not applied in good faith.*

*(2) Where sub-section (1) applies, the proprietor of the later trade mark is not entitled to oppose the use of the earlier trade mark, or as the case may be, the exploitation of the earlier right, notwithstanding that the earlier trade mark may no longer be invoked against his later trade mark.”*

109. Now, I shall proceed to discuss the case laws relied upon by the parties on the aspect of acquiescence.

110. On behalf of the plaintiffs, reliance has been placed on the judgment of the Supreme Court in ***Power Control Appliances v. Sumeet Machines***, (1994) 2 SCC 448. Paragraph nos. 26, 37 and 41 of the said judgment are set out below:

***“26. Acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name etc. It implies positive acts; not merely silence or inaction such as is involved in laches. In *Harcourt v. White* [(1860) 28 Beav 303 : 54 ER 382] Sr. John Romilly said: “It is important to distinguish mere negligence and acquiescence.” Therefore, acquiescence is one facet of delay. **If the plaintiffs stood by knowingly and let the defendant build up an important trade until it had become necessary to crush it, then the*****



*plaintiffs would be stopped by their acquiescence. If the acquiescence in the infringement amounts to consent, it will be a complete defence as was laid down in Mouson (J.G.) & Co. v. Boehm [(1884) 26 Ch D 406]*  
The acquiescence must be such as to lead to the inference of a licence sufficient to create a new right in the defendant as was laid down in *Rodgers v. Nowill* [(1847) 2 De GM&G 614 : 22 LJ KCH 404].

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41. It is a settled principle of law relating to trade mark that there can be only one mark, one source and one proprietor. It cannot have two origins. Where, therefore, the first defendant-respondent has proclaimed himself as a rival of the plaintiffs and as joint owner it is impermissible in law. Even then, the joint proprietors must use the trade mark jointly for the benefit of all. It cannot be used in rivalry and in competition with each other.”

[Emphasis supplied]

111. The plaintiffs have also placed reliance on the judgment in ***BCH Electric v. Eaton Corporation***, 2016 SCC Online Del 3639. However, the said judgment would not come to the aid of the plaintiffs as in the said case the agreement between the parties clearly provided that the defendant therein would not claim any rights in the trademarks ‘Cutler/ Hammer’, ‘CH Label’ and ‘CH Control’ that were the subject matter of dispute between the parties.

112. On behalf of the defendant, reliance is placed on judgment of the Division Bench in ***Intex Technologies (India) v. M/s. AZ Tech (India)***, 2017 SCC OnLine Del 7392. Relying upon the judgment of the Supreme Court in ***Power Control*** (supra), the Division Bench in ***Intex Technologies*** (supra) denied the relief of interim injunction to the plaintiff therein on the ground of delay in filing the suit. Paragraph no. 39 of the said judgment is set out below:

“39. Upon considering the arguments on this aspect of the matter, we





would tend to agree with the submissions made by Mr. Sudhir Chandra that there was delay in filing the suit. In paragraph 17 of the amended plaint itself, it was stated by the respondent/plaintiffs that Intex had launched its product in 2012. The suit was filed much later on 28.10.2013. During this period, the appellant had sold phones under the mark “AQUA” to the extent of Rs. 200 crores. Approximately, Rs. 27 crores had been spent on advertisements and, particularly, the TV commercials featuring the famous actor, Mr. Farhan Akhtar. By 31.03.2013, the appellant had sold 1.75 lakh phones under the mark “AQUA” and this number rose to 3.14 lakh phones between 01.04.2013 and 13.11.2013. It, therefore, becomes clear that the presence of the appellant in the market in India under the mark “AQUA” was not insignificant. The respondent itself noted that the appellant (Intex) had launched its product under the mark “AQUA” in 2012. There is no explanation forthcoming as to why there was a delay of at least 14 months in approaching the court. During this period, the business of the appellant grew to a large extent. It was not as if the appellant was about to commence the sale of its products under the word mark “AQUA” or that it had just recently commenced such marketing. In fact, the appellant was in the market and with a great deal of publicity. In this backdrop, the aspect of delay attains a greater significance and, therefore, would disentitle the respondent from obtaining an interlocutory injunction.”

[Emphasis supplied]

113. In *Rhizome Distilleries v. Pernod Ricard S.A. France*, 2009 SCC OnLine Del 3361, a similar view was taken by Division Bench of this Court. Relevant paragraph no. 28 of the said judgment is set out below:

“28. We are of the prima facie opinion that the plaintiffs/respondents had adequate knowledge much prior to the filing of the suit of the resolve of the defendant to use the trademark RHIZOME Imperial Gold firstly because the defendant had made its intent clear before the Excise Department, Hyderabad and the defendant had applied for registration of the trademark in 2002 and secondly because Plaintiffs, bottler had withdrawn its objection before the Excise Department, Hyderabad. The plaintiffs idly stood by and watched the defendant sales increase manifold. In this period the appellants/defendant had cornered a



**substantial part of the market. Delay and acquiescence has thus stepped in to defeat the plaintiffs claim for an ad interim injunction.”**

[Emphasis supplied]

114. In the present case, defendant has been using the mark ‘DAKSHIN’ independently since 2015 after cessation of its relationship with the plaintiffs. In fact, from the year 2015 till 2025, the defendant was using the impugned mark in collaboration with a competitor of the plaintiffs, to the knowledge of the plaintiffs and the plaintiffs have never objected to the same.

115. The defendant has also placed on record a CA certificate showing its turnover in respect of the restaurant ‘DAKSHIN’ from the year 2016-17 to 2023-24 (*Pg nos.51-52 of defendant’s documents [Vol. I]*).

116. Applying the ratio of the aforesaid judgments to the facts of the present case, it is evident that from the year 2016-17 till 2023-24, the defendant had developed sizeable turnover in respect of its restaurant running under the trademark ‘DAKSHIN’.

117. It is contended on behalf of the plaintiffs that they did not object to the defendant operating its restaurant under the mark ‘DAKSHIN’ on account of the long-standing relationship between the parties.

118. To counter the aforesaid submission made on behalf of the plaintiffs, the defendant has placed on record arbitration proceedings initiated by the plaintiffs against the defendant in respect of a hotel property in Mahabalipuram. The aforesaid award was dated 10<sup>th</sup> April 2017, after the disassociation between the plaintiffs and the defendant in 2015. Therefore, it cannot be said that there was a cordial relationship between the plaintiffs and the defendant on account of which the plaintiffs did not object the



defendant's user of 'DAKSHIN' mark.

119. Another reason stated on behalf of the plaintiffs for not filing the present suit earlier is the onset of Covid-19 pandemic. To counter the same, the defendant has given a list of cases filed by the plaintiffs against third parties during the Covid period.

120. The reliance placed on behalf of the plaintiffs on the decision in ***Midas Hygiene Industries v. Sudhir Bhatia***, (2004) 3 SCC 90 is misplaced as in the said case, the Court had noted that mere delay will not disentitle the plaintiffs from the relief of interim injunction in case of dishonest adoption of the mark by the defendant. In the present case, I have already observed above that the use of the mark 'DAKSHIN' by the defendant cannot be termed as dishonest.

121. It is contended on behalf of the plaintiffs that they started using the mark 'DAKSHIN' in various restaurants across India beginning from April, 1996 and the defendant did not object to the same. Therefore, the defendant acknowledged the right of the plaintiffs in the mark 'DAKSHIN'.

122. In my view, this argument would not come to the aid of the plaintiffs as even the plaintiffs never objected to the continuous running of 'DAKSHIN' restaurant by the defendant in Chennai. It is perhaps suggestive of the fact that since both the plaintiffs and the defendant had jointly conceived the mark 'DAKSHIN' in respect of a South-Indian restaurant, both sides were free to use the same. Hence, both the plaintiffs and the defendant continue to use the mark 'DAKSHIN' concurrently in a *bona fide* manner.

123. In light of the discussion above, on a *prima facie* view, I find merit in the defence of acquiescence raised by the defendant.



### COPYRIGHT

124. The plaintiffs have placed reliance on the Copyright Registration Certificate granted in favour of the plaintiffs in respect of the artistic work of the 'DAKSHIN's logo (*Pg nos.13-15 of plaintiffs' additional documents dated 27<sup>th</sup> May, 2025*). It is stated that it was the plaintiffs which commissioned the creation of the artistic work in DAKSHIN's logo.

125. Notably, Section 48 of the Copyright Act and Section 31 of the Trade Marks Act are quite distinct. Section 48 of the Copyright Act provides that the particulars entered in the Register of Copyrights are only *prima facie* evidence of particulars entered therein, whereas Section 31 of the Trade Marks Act provides that the registration signifies *prima facie* validity of the trademark. Therefore, under Section 48 of the Copyright Act, registration only raises a presumption that the person shown in the certificate is the author. However, such presumption is not conclusive and is rebuttable.

126. A perusal of the aforesaid Copyright Registration Certificate shows that name of the author has been shown as 'Indu Balachandran, Hindustan Thompson'. Since Indu Balachandran was an employee of the advertising agency, HTA, in terms of Section 17(1)(c) of the Copyright Act, the first owner of the copyright would be HTA.

127. As per the conceptualisation note placed on record by the defendant (*Pg nos.11-18 of defendant's documents @ 17*), HTA was given a brief by the defendant to come out with a name of a restaurant, which was finalized as 'DAKSHIN'.

128. The plaintiffs have not placed any document on record to show that the plaintiffs had commissioned HTA to design 'DAKSHIN' logo.



129. Accordingly, in my *prima facie* view, the copyright registration certificate in favour of the plaintiffs is not sufficient to prove plaintiffs'

copyright ownership in '**Dakshin**',  
THE CELEBRATED TASTES OF THE SOUTH

130. In *Brihan Karan Sugar Syndicate v. Yashwantrao Mohite Krushna Sahakari Sakhar Karakhana*, (2024) 2 SCC 577, relying upon *Power Control* (supra), the Supreme Court has held that acquiescence is a defence in copyright infringement actions. The relevant paragraph of *Brihan Karan* (supra) is set out below:

**"19. Now, we come to the infringement of copyright. It is a well-settled law that acquiescence is a defence available in action for the infringement of copyright. On this behalf, it is necessary to refer to the decision of this Court in Power Control Appliances v. Sumeet Machines (P) Ltd. [Power Control Appliances v. Sumeet Machines (P) Ltd., (1994) 2 SCC 448] In para 26 onwards, this Court has discussed the concept of acquiescence. This Court held that if the acquiescence in infringement amounts to consent, it will be a complete defence. This Court also observed that acquiescence is a course of conduct inconsistent with the claim for exclusive rights and it applies to positive acts and not merely silence or inaction such as is involved in laches. This Court observed that mere negligence is not sufficient."**

[Emphasis supplied]

131. Therefore, the defendant would be entitled to the defence of acquiescence even in respect of copyright infringement.

#### BALANCE OF CONVENIENCE

132. In *Wander Ltd. v. Antox India P. Ltd.* 1990 Supp SCC 727, the Supreme Court had observed that purpose of an interim injunction is to preserve *status quo* among the parties. Therefore, factors such as whether the defendant has commenced his business or is yet to commence are relevant.



133. Applying the aforesaid principles to the facts of the present case, and taking into account the fact that defendant has been continuously running its restaurant under the name 'DAKSHIN' from 1989 onwards, from 1989-2015 in association with the plaintiffs and thereafter independently, the scales of balance of convenience would weigh in favour of the defendant, disentitling the plaintiffs to an interim injunction. At this stage, grant of interim injunction would cause irreparable injury to the defendant. On the other hand, in the event the plaintiffs succeed in the suit, they can always be compensated by way of damages.

#### RELIEF

134. In light of the discussion above, the plaintiffs have failed to make out a case for grant of interim injunction. Consequently, I.A. 3768/2025 filed by the plaintiffs under Order XXXIX Rule 1 and 2 of the CPC is dismissed. However, the defendant shall remain bound by the statement made by its counsel during the course of the hearing that the defendant shall not expand the operation of its 'DAKSHIN' restaurant beyond the city of Chennai till the final adjudication of the suit.

135. Needless to say, any observations made herein are only for the purpose of adjudication of the aforesaid application and would have no bearing on the final outcome of the suit.

#### CS(COMM) 119/2025

136. List before the Roster Bench on 30<sup>th</sup> January, 2026.

**AMIT BANSAL, J**

**DECEMBER 4, 2025/at**