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

+ **Date of Decision: 02.05.2016**

% **CS(COMM) 181/2016**

BURGER KING CORPORATION Plaintiff

Through: Mr. Praveen Anand, Mr. Raunaq
Kamath & Ms. Anjana Ahluwalia,
Advocates.

versus

MR SHAMEEK & ANR Defendants

Through:

**CORAM:
HON'BLE MR. JUSTICE VIPIN SANGHI**

VIPIN SANGHI, J. (OPEN COURT)

1. On the aspect of territorial jurisdiction of this Court to entertain the present suit, learned counsel for the plaintiff points out that the plaintiff is an American corporation and, therefore, it does not have registered office in India. However, the plaintiff has several outlets within the jurisdiction of this Court in Delhi details whereof are set out in paragraph 38 of the plaint. These BURGER KING restaurants are operating at:

- (i) Select City Walk Mall, Saket, New Delhi
- (ii) E-8, Inner Circle, Connaught Place, New Delhi

(iii) Epicuria Food Mall, Nehru Place, New Delhi

(iv) Ambience Mall, Vasant Kunj, New Delhi

(v) M Block, Greater Kailash I, New Delhi

(vi) DT City Center Mall, MG Road, New Delhi

(vii) First Floor, Plot C 1, 2 & 3, PP Towers, Netaji Subhash Place,
New Delhi

(viii) Rajouri Garden, New Delhi

2. Consequently, it is evident that the plaintiff is carrying on business within the jurisdiction of this Court. Thus, in the facts of this case, the plaintiff is entitled to invoke the provisions of Section 134 of the Trade Marks Act and this Court would have jurisdiction to deal with the present suit.

3. Learned counsel for the plaintiff has also drawn the attention of the Court to the judgment dated 07.09.2015 passed in C.S. (OS) No.290/2015 titled Burger King Corporation Vs. Burger Place, wherein this Court in similar circumstances decreed the suit under Order VIII Rule 10 CPC on account of the fact that the defendant refused service of summons; was deemed served and failed to put in appearance before the Court. In the present case as well, the defendant has refused service and has failed to put in appearance, and no written statement has been filed by the defendant to contest the plaintiffs claim in the suit.

4. The Court in C.S. (OS) No. 290/2015, while dealing with Order VIII

CPC observed as follows:

“15. After the amendment to Order VIII Rule 1 CPC carried out by Act 22 of 2002, that came into operation w.e.f. 01.07.2002, the defendant has to present the written statement in its defense within 30 days from the date of service of the summons. Under the proviso to Rule (1), if the defendant fails to file the written statement within the prescribed timeline, he shall be allowed to file the same on such other day as may be specified by the Court for the reasons to be recorded in writing but it shall not be later than 90 days from the date of service. The consequences of default in filing the written statement have been spelt out under Order VIII Rule 10 CPC, which reads as below:-

“10. Procedure when party fails to present written statement called for by Court.- Where any party from whom a written statement is required under rule 1 or rule 9 fails to present the same within the time permitted or fixed by the Court, as the case may be, the Court shall pronounce judgment against him, or make such order in relation to the suit as it thinks fit and on the pronouncement of such judgment a decree shall be drawn up.”

16. The object of providing a time frame to file the written statement is to achieve speedy disposal of the case and to avoid unnecessary adjournments. Once there is default on the part of the defendant under Rule 1 of Order VIII and the extended time of 90 days from the date of service lapses, consequences thereof have been provided for under Rule 10, which contemplates that the Court shall pronounce judgment against the defendant or make such orders in relation to the suit as it thinks fit. In cases of failure on the part of the defendant to file the written statement within the permitted time or the time fixed by the Court, the course of action that the Court may propose to adopt would depend on the facts and circumstances of each case. Where the case of the plaintiff is clear cut and the Court finds that on the basis of the averments made in the plaint supported

by the documents filed by the plaintiff, it would be just, fair and equitable to pass a decree for the reason that in the Court's opinion, no further proof would be necessary, it may take recourse to passing a decree in favour of the plaintiff. In other cases, where the Court is not satisfied that the plaintiff has been able to make out a blemishless case in its favour entitling it to the relief prayed for in a suit, even in the absence of the written statement by the defendant, it is well entitled to direct the plaintiff to prove its case. In the alternate, given some special circumstances, the Court can grant the defendant time to file the written statement on terms and conditions that may be considered fit and proper in the circumstances of the case.

17. It can thus be seen that despite usage of the word "shall" in Rule (10) of Order VIII, the Court has been given the discretion to pronounce or to refuse to pronounce a judgment against the defendant, even if a written statement is not filed. Depending on the facts of the case, the Court can pass such orders as it may think fit in relation to the suit. In the case of Kailash vs. Nankhu & Ors. reported as (2005) 4 SCC 480, where the Supreme Court had gone to great lengths to examine the historical background behind the introduction of the amended provisions of Order VIII of the Code and their effect, it was held as below:-

"41. Considering the object and purpose behind enacting Rule 1 of Order 8 in the present form and the context in which the provision is placed, we are of the opinion that the provision has to be construed as directory and not mandatory. In exceptional situations, the court may extend the time for filing the written statement through the period of 30 days and 90 days, referred to in the provision, has expired. However, we may not be misunderstood as nullifying the entire force and impact "the entire life and vigour " of the provision. The delaying tactics adopted by the defendants in law courts are now proverbial as they do stand to gain by delay. This is more so in

election disputes because by delaying the trial of election petition, the successful candidate may succeed in enjoying the substantial part, if not in its entirety, the term for which he was elected even though he may lose the battle at the end. Therefore, the judge trying the case must handle the prayer for adjournment with firmness. The defendant seeking extension of time beyond the limits laid down by the provision may not ordinarily be shown indulgence. (emphasis added)

42. Ordinarily, the time schedule prescribed by Order 8 Rule 1 has to be honoured. The defendant should be vigilant. No sooner the writ of summons is served on him he should take steps for drafting his defense and filing the written statement on the appointed date of hearing without waiting for the arrival of the date appointed in the summons for his appearance in the Court. The extension of time sought for by the defendant from the Court whether within 30 days or 90 days, as the case may be, should not be granted just as a matter of routine and merely for the asking, more so, when the period of 90 days has expired. The extension can be only by way of an exception and for reasons assigned by the defendant and also recorded in writing by the court to its satisfaction. It must be spelled out that a departure from the time schedule prescribed by Order 8 Rule 1 of the Code was being allowed to be beyond the control of the defendant and such extension was required in the interest of justice, and grave injustice would be occasioned if the time was not extended. (emphasis added)

43. xxx xxx xxx

44. The extension of time shall be only by way of exception and for reasons to be recorded in

writing, howsoever brief they may be, by the court. In no case, shall the defendant be permitted to seek extension of time when the court is satisfied that it is a case of laxity or gross negligence on the part of the defendant or his counsel. The court may impose costs for dual purpose: (i) to deter the defendant from seeking any extension of time just for the asking, and (ii) to compensate the plaintiff for the delay and inconvenience caused to him. (emphasis added)

45. However, no straitjacket formula can be laid down except that the observance of time schedule contemplated by Order 8 Rule 1 shall be the rule and departure there from an exception, made for satisfactory reasons only. We hold that Order 8 Rule 1, though couched in mandatory form, is directory being a provision in the domain of processual law.” (emphasis added)

18. Subsequently, in the case of Salem Advocate Bar Association, Tamil Nadu vs. Union of India reported as 2005 (6) SCC 344, with respect to extending the time to file a written statement beyond the prescribed period of 90 days, the Supreme Court had made it clear that the order extending the time to file the written statement ought not be made in routine, the time can be extended only in exceptionally hard cases and further, while extending the time, it has to be borne in mind that the legislature has fixed the upper time limit of 90 days and therefore, the Court ought not to exercise its discretion frequently and regularly so as to nullify the period fixed under Order VIII Rule 1 CPC. However, in the case of Smt. Rami Kusum vs. Smt. Kanchan Devi and Ors. reported as (2005) 6 SCC 705 a note of caution was added by the Supreme Court that in the process of expediting the proceedings, the principles of natural justice cannot be thrown to the winds.

19. At the end of the day, the underlying principle laid down in all the aforesaid decisions is that the law of procedure provides

a methodology that the Court ought to adopt while determining the rights of the plaintiff to a lis. Some of the provisions of the Code are directory and not mandatory in nature even though the legislature has used the word “shall” and that by itself will not be conclusive to determine whether the said provision is mandatory for the reason that the said provision could still turn out to be directory, depending on the nature of the provisions and the context in which it has been enacted.

20. In the instant case, the defendant had refused service of summons and was deemed to have been served on 11.04.2015. Even thereafter, no effort was made by the defendant to enter appearance in the suit and file the written statement or contest the suit in any manner. On failure to file the written statement under Order VIII Rule 1 CPC, the Court is well empowered to pronounce a judgment against the defendant under Rule (10), if it is satisfied by the case set up by the plaintiff. As noted above, Mr. Anand, learned counsel for the plaintiff has volunteered to confine reliefs in the suit to prayers made in para 39 (a) (b) and (c) and has walked the Court through the material placed on record to urge that the plaintiff is an entitled to a decree under Order VIII Rule (10) CPC.

21. Keeping in view the need for expeditious trial of civil cases particularly when they are commercial in nature, which is a consideration that has persuaded the Parliament to undertake amendments from time to time in the Code and Civil Procedure so as to tighten the procedure and avoid delay, and further, keeping in mind the fact that commercial matters of the present nature ought to be treated on a different footing and cannot be kept lingering when there is no contest from the other side, in discharge of its duty to provide fair, quick and speedy justice, this Court is of the opinion that the plaintiff is entitled to invoke the provisions of Order VIII Rule (10) CPC in the facts of the present case.”

5. Mr. Anand submits that the only aspect which require the plaintiff to lead evidence in the matter is in relation to the claim for damages and, on

instructions, he states that the plaintiff gives up its claim for damages in the present suit and that the plaintiff would be satisfied if this Court were to consider grant of the injunctive relief as sought in prayers A and B of the plaint.

6. The case of the plaintiff, as set out in the plaint, is as follows:

“2. The Plaintiff was founded in 1954 when it commenced its business with one restaurant in Miami, Florida trading under the name and style of BURGER KING. The Plaintiff’s very first advertisement was aired in 1958 on Miami’s local station while the Plaintiff’s first franchisee outlet started in 1959. Since its inception, the Plaintiff had plans of global expansion and opened its first BURGER KING restaurant outside the United States of America in Puerto Rico in 1963. By 1967, the Plaintiff already owned and operated 275 BURGER KING restaurants.

3. Today, the Plaintiff manages and operates a worldwide chain of over 13,000 fast food restaurants serving more than 11 million customers daily in 100 countries and U.S. territories worldwide. Approximately 97% of the Plaintiff’s BURGER KING restaurants are owned and operated by independent franchisees. The Plaintiff is presently the second largest fast food hamburger company and over 30,300 people are employed by the Plaintiff or its franchisees. The first BURGER KING franchised restaurant in Asia was opened in 1982, and there are currently over 1,200 of these restaurants in the Asia-Pacific region.

THE PLAINTIFF’S TRADE MARK/ NAME

4. The subject matter of the present suit is the Plaintiff’s trade mark/ name BURGER KING which the Plaintiff has extensively used in relation to its restaurants and restaurant services since 1954. The BURGER KING trademark/ service mark is an arbitrary combination of two generic words and is therefore inherently distinctive and enjoys maximum protection under trademark law.

5. *Apart from being the Plaintiff's trademark and service mark, BURGER KING is also an integral and conspicuous part of its trading style, so much so that the Plaintiff, its business, goods and services are readily recognized merely by reference to them as "BURGER KING".*

6. *The BURGER KING trade mark is registered in favor of the Plaintiff in over 122 countries of the world including 22 countries in the Asia Pacific and South-East Asia regions. The Plaintiff owns over 4000 trade mark and service mark applications across the world including in India, where the Plaintiff is the registered proprietor of the BURGER KING trade mark since 1979. Details of the Plaintiff's registered trade marks in India are provided in **Annexure – A** to the plaint. The Plaintiff's trade mark BURGER KING has been declared as a well-known mark by this Hon'ble Court in CS (OS) No. 884 of 2015 on September 29, 2015. The BURGER KING trade mark is thus entitled to the highest degree of protection conferred under statute including against even disparate goods and services.*

7. *Apart from asserting strong common law rights in the trade mark/ name BURGER KING, the Plaintiff has also secured registrations for the said mark in various jurisdictions all over the world including AAFES, Andorra, Argentina, Aruba, Australia, Austria, Bahamas, Bahrain, Bolivia, Brazil, Canada, Cayman Islands, Chile, China, Colombia, Costa Rica, Curacao, Cyprus, Denmark, Dominican Republic, El Salvador, AAFES Europe, France, Germany, Gibraltar, Guam, Guatemala, Honduras, Hong Kong, Hungary, Iceland, Italy, Jamaica, Jordan, Korea, Kuwait, Lebanon, Malaysia, Malta, Mexico, Netherlands, New Zealand, Norway, Nicaragua, Panama, Paraguay, Peru, Philippines, Portugal, Puerto Rico, Qatar, Saudi Arabia, Singapore, Spain, St. Lucia, St. Maarten, Suriname, Sweden, Switzerland, Taiwan, Thailand, Trinidad, Turkey, United Arab Emirates, United Kingdom, United States of America, Uruguay, Venezuela.*

THE PLAINTIFF'S REPUTATION IN INDIA

8. *With specific reference to India, the Plaintiff's BURGER KING trade mark/ name has acquired significant reputation and goodwill which is demonstrated by numerous franchise inquiries received by the Plaintiff from third parties in India in relation to opening restaurants under the trade mark/ name BURGER KING in the Indian Territory. These franchise inquiries establish that the Indian public has always been well aware of the Plaintiff's BURGER KING brand, which is further demonstrated by the inclusion of words such as "famous" and "well-known" in relation to the Plaintiff's BURGER KING brand in the said franchise inquiries.*

9. *The Plaintiff's Asia Division had also entered into a license agreement with the Inventure Group for developing, designing, manufacturing, distributing, selling and offering for sale the products of the Plaintiff. The Inventure Group had exported samples of the Plaintiff's BURGER KING products to India on account of the encouraging response from the Indian public and the popularity of the BURGER KING brand in India.*

10. *The Plaintiff has also had brand visibility in India through trade shows (such as the USDA India Trade Mission 2009), presence of their BURGER KING products in the embassy of the United States of America in India, import of the samples under the mark BURGER KING in India etc. Additionally, the Plaintiff has tie-ups with the entertainment industry and its BURGER KING products/ brand have been advertised in popular movies such as The Fantastic Four (2005), Transformers (2007), Iron Man (2008), The Twilight Saga – New Moon (2009) etc. These movies were released in India and the Indian public was exposed to the products of the Plaintiff carrying the BURGER KING trade marks.*

11. *Further, there have been innumerable write-ups and advertisements that have appeared over the years in Indian publications or publications having circulation in India. These publications include, but are not limited to the Indian Express, Business India, Franchising World, Business World, Business Week, Advertising Age, Brandweek, Restaurants & Institutions,*

Financial Times, USA Today, New York Times, Washington Times, Time etc.

12. *It is a known fact that a significant number of Indian travelers, including tourists, business people, professionals, students etc. have routinely traveled and continue to travel to overseas destinations including but not limited to the United States of America. The Plaintiff's franchisee outlets are prominent in their presence in most countries from the airports onward and as a result, these Indian travelers have always been well aware of the Plaintiff's business and services under the BURGER KING brand.*

THE PLAINTIFF'S INTERNET PRESENCE

13. *Physical travel apart, internet users all over the world have had access to the website of the Plaintiff located at www.burgerking.com for which the domain name was registered as early as November 14, 1994. In addition, many people from all over the world including in India access the Plaintiff's websites www.bk.com and www.burgerking.com and have become acquainted with the Plaintiff's business and services under the trade mark and trading style BURGER KING which has further contributed to the goodwill and reputation of the Plaintiff's brand.*

14. *In addition to its primary website, the Plaintiff also has dedicated websites for different regions and holds at least 1040 domain name registrations in its name.*

THE PLAINTIFF'S ENTRY INTO INDIA

15. *On account of the inclusion of 'beef' in the Plaintiff's burgers, (which in the Indian context would have previously made the conduct of the Plaintiff's business unviable) the Plaintiff had previously not launched a BURGER KING restaurant in India. However, owing to globalization and transformation in the Indian development and consequent on conducting exhaustive feasibility studies which have indicated the readiness of the Indian market for the Plaintiff's world-renowned restaurants, in 2013, the Plaintiff entered into a Joint*

Venture with Everstone Group, a leading private equity and real estate firm in India and South East Asia, to set up a supply chain in India and establish BURGER KING restaurants across the country.

16. The Plaintiff's long anticipated entry into India received wide spread press coverage both in the form of articles as well as through social media. The Plaintiff's first Indian BURGER KING restaurant was opened in New Delhi on November 9, 2014 which was a resounding success and received an enthusiastic response from the Indian public as well as significant media coverage. Since then, the Plaintiff has launched 8 more BURGER KING restaurants in New Delhi/ NCR with an additional 5 BURGER KING restaurants operating in Mumbai and has expanded further in the cities of Bengaluru, Pune and Chandigarh. The Plaintiff has plans for further expansion with several more outlets scheduled to open in India in the coming months.

THE PLAINTIFF'S REVENUE AND PROMOTIONAL EFFORTS

17. The enormous success enjoyed by the Plaintiff is evident from the revenues sales generated by the Plaintiff's BURGER KING restaurants across the world for the last few years which are as follows:

Year	Gross System Sales (In US Dollars millions)
2004	11,331.0
2005	12,224.0
2006	12,418.6
2007	13,232.0
2008	14,688.4
2009	14,669.2

<i>2010</i>	<i>14,894.6</i>
<i>2011</i>	<i>15,292.1</i>
<i>2012</i>	<i>15,841.5</i>
<i>2013</i>	<i>16,301.0</i>

18. *The Plaintiff has also spent huge sums on the advertisement and promotion of their services under the BURGER KING brand. The Plaintiff's advertisement expenses which were approximately US\$ 14 million in the years 1993-1994 rose to US\$ 13.88 million in Asia (excluding Australia) alone in the year 2007. The Plaintiff's consolidated global system wide advertising expenses, including franchisee contributions are as follows:*

<i>Year</i>	<i>Advertising Expenditures (In US Dollars millions)</i>
<i>2004</i>	<i>486.49</i>
<i>2005</i>	<i>526.704</i>
<i>2006</i>	<i>535.439</i>
<i>2007</i>	<i>573.406</i>
<i>2008</i>	<i>640.525</i>
<i>2009</i>	<i>639.304</i>
<i>2010</i>	<i>653.198</i>
<i>2011</i>	<i>677.78</i>
<i>2012</i>	<i>702.708</i>
<i>2013</i>	<i>726.634</i>

19. *As a result, the Plaintiff's BURGER KING brand has acquired excellent reputation and goodwill internationally as well as in India. The consuming public and trade in India identify, recognize and exclusively associate the well-known trademark/ service mark BURGER KING with the services of the Plaintiff, especially in the field of restaurant services. The Plaintiff's trademarks having priority in adoption, long and continuous use and extensive popularity, are entrenched in the minds of the international public including the Indian population at large.*

20. *Owing to the long, continuous and ubiquitous use of the BURGER KING trade mark/ name since 1954 coupled with extensive promotional efforts, the Plaintiff has acquired significant common law rights in the said mark across the world including India and is thus entitled to the exclusive use thereof.*

21. *The Plaintiff has also been vigilant in protecting its rights and interests in its intellectual property in India and has consistently monitored and taken appropriate measures to tackle misuse of its trade marks by unrelated third parties in different forums. Illustrative copies of orders and decrees passed in favor of the Plaintiff in previous lawsuits are filed herewith."*

7. In relation to the defendant, the plaintiff states that:

"22. The Defendants in the present proceedings are as under:

- (i) Defendant No. 2 viz. **KING BURGERZ** is a restaurant operating at Methu Colony, Manapakkam Main Road, Ramapuram, Chennai, 600089.*
- (ii) Defendant No. 1 viz. Mr. Shameek is verily believed to be the proprietor of Defendant No. 2 and is actively running, operating, steering and managing Defendant No. 2's day-to-day business and is responsible for key business decisions.*

The exact constitution of the Defendants will however be known only after discovery in the present proceedings. The Plaintiff reserves its right to amend the plaint if necessitated after discovery.

23. *In or around December 2012, the Plaintiff became aware of the existence of the Defendants' restaurant in Chennai operating under the trading style of **KING BURGER** and were alarmed to note that the Defendants' were using a trade mark/ name which is a mere rearrangement of the Plaintiff's well-known trade mark/ name **BURGER KING**.*

24. *The Plaintiff accordingly initiated enquiries which revealed that the Defendants were engaged in the business of providing restaurant services and were serving fast food including burgers to customers in Chennai under the impugned trading style of **KING BURGER**.*

25. *The Plaintiff's attorneys accordingly sent the Defendants a cease and desist notice in an attempt to amicably settle the matter without resorting to legal proceedings. On December 16, 2012 the Plaintiff's attorneys received an email from Defendant No. 1 in response to the cease and desist notice wherein it was stated as under:*

- (i) Defendant No. 1 confirmed receipt of the Plaintiff's notice and also confirmed that he was the proprietor of **M/s KING BURGER**.*
- (ii) Defendant No. 1 informed that the Defendants intended to restructure their restaurant and change their name "very shortly".*
- (iii) Defendant No. 1 categorically admitted that "...I do know that complications that would happen when I depict a huge brand like **BURGER KING**..."*
- (iv) Defendant No. 1 categorically admitted that the impugned trade mark/ name **KING BURGER** "...could be similar to **BURGER KING**..."*

- (v) Defendant No. 1 undertook to change the name of his restaurant at the earliest and positively within 20 days.
- (vi) Defendant No. 1 requested the Plaintiff's attorneys to confirm whether the Plaintiff would have any objection if he changed the Defendants' impugned trading style to **BURGERTIME, HAPPY BURGERS, BURGER PALACE, ROYAL BURGER or ROYAL BURGERS.**

26. The Plaintiff's attorneys sent an email dated January 8, 2013 to Defendant No. 1 confirming that the Plaintiff had no objection to the Defendants' use of any of the trade marks/names **BURGERTIME, HAPPY BURGERS, BURGER PALACE, ROYAL BURGER or ROYAL BURGERS.** The Plaintiff's attorneys also requested the Defendants to execute a formal undertaking and to provide the Plaintiff with the executed undertaking and photographs of their new banner/signage evidencing that they had discontinued use of the impugned trade mark/ name **KING BURGER**, by January 28, 2013. Defendant No. 1 responded with an email dated January 23, 2013 informing that he was travelling and requesting for time till February 5, 2013 to comply with the Plaintiff's requisitions. The Plaintiff agreed to accommodate the Defendants' request. On February 5, 2013 however the Plaintiff's attorneys' received an apologetic email from Defendant No. 1 informing that he was still travelling and requesting for additional time to execute the formal written undertaking. Significantly Defendant No. 1 categorically requested the Plaintiff to consider his email as an undertaking and informed the Plaintiffs' that the Defendants had already changed the name of their restaurant to **ROYAL BURGERZ.** The Plaintiff's attorney's responded with an email dated February 11, 2013 calling upon the Defendants to furnish packaging materials and photographs evidencing the change in the trading style of their restaurant to **ROYAL BURGERS,** pending the formal written undertaking. Defendant No. 1 however failed to respond to this email following which the Plaintiff's attorneys sent a reminder email to Defendant No. 1 on March 15, 2013. Defendant No. 1 eventually responded with

an email dated March 16, 2013 informing that he was closing down the restaurant in 2 months and enquiring whether it was still necessary to execute the formal undertaking. The Plaintiff's attorneys confirmed that the written undertaking was required and even provided the Defendants' with a draft undertaking to execute. On March 30, 2013, Defendant No. 1 confirmed that he would execute and forward the undertaking as soon as possible and also enquired whether Plaintiff would be interested in making the Defendants a BURGER KING franchisee in India. The Defendants however failed to execute and send the Plaintiff's attorneys the undertaking. On June 20, 2013 the Plaintiff's attorneys sent an email to the Defendants reminding them that they were yet to receive the executed written undertaking and that the Plaintiff would not consider the matter closed till receipt thereof. Defendant No. 1 replied with an email on the same date informing that the Defendants had closed their restaurant in March 2013 and that the Plaintiff may check at the available address. Defendant No. 1 thus requested the Plaintiff to consider the matter closed.

27. *By way of caution, the Plaintiff initiated enquiries to verify the contents of the Defendants' last email, which revealed that the Defendants had shifted their restaurant to a new premises located at First Floor, 3/211-3, SRCM, Ashram Road, Manpakkam, Chennai – 600125. This restaurant however was operating under the trading style of ROYAL BURGERZ. Photographs of the Defendants' ROYAL BURGERZ restaurant are filed in the present proceedings and may be referred to. In light of Defendant No. 1's undertaking not to use the impugned mark KING BURGER in future and coupled with the change of name of the Defendants' restaurant to ROYAL BURGERZ, the Plaintiff considered the matter closed at the time.*

28. *Recently, in August 2015, the Plaintiff was surprised to learn of the existence of a restaurant in Chennai operating under the name and style of KING BURGERZ. The Plaintiff immediately instructed an investigation agency to conduct an investigation into the activities of this restaurant and was taken*

aback when the investigation revealed that the restaurant **KING BURGERZ** is owned and operated by the Defendants herein.

29. The investigation confirmed that the Defendants had renamed their restaurant **ROYAL BURGERZ** to **KING BURGERZ** i.e. Defendant No. 2 herein and had shifted to a new premises located at Methu Colony, Manapakkam Main Road, Near EB office, Ramapuram, Chennai around 8 months ago. The investigation confirmed that the Defendants are providing restaurant services to customers under the impugned name and style of **KING BURGERZ**. Significantly the signage adopted by the Defendants is virtually identical to the signage of the Plaintiff's **BURGER KING** restaurants and comprises an identical get up, lay out, font, colour scheme and arrangement of features viz. a red signboard/ background with the trading style depicted in white capitalized lettering in identical font.

30. The Defendants' impugned trade name **KING BURGERZ** incorporates the Plaintiff's registered and well-known trade mark/ name **BURGER KING** in entirety being a mere rearrangement thereof and is suffixed with the letter 'z' which is clearly not sufficient to obviate confusion or distinguish the Defendants' restaurant services from those of the Plaintiff. The Defendants' use of the Plaintiff's registered and well-known trade mark/ name **BURGER KING** in any manner or by way of a simple rearrangement with or without the addition of the letter 'z', in relation to restaurant services, is bound to cause confusion among the relevant class of consumers. Moreover, Defendant No. 1 had already undertaken to the Plaintiff that the Defendants would change their name to **ROYAL BURGERZ**; had also admitted that there was a strong likelihood of confusion on account of the Defendants' adoption and depiction of a "huge brand" as that of the Plaintiff; and even requested to be made a franchisee for the Plaintiff's **BURGER KING** brand in India.

31. As stated above, the Plaintiff has plans for expansion of its **BURGER KING** restaurants throughout India including in Chennai. A simple Google search for the words 'Burger King

Chennai' however provides links to third party websites pertaining to the Defendants which demonstrates the high likelihood of actual confusion in market on account of the Defendants' adoption and use of a rearrangement of the Plaintiff's well-known trade mark/ name **BURGER KING**.

32. A prudent and reasonable person is thus bound to be misled into believing that the Defendants' services and goods originate from the Plaintiff or that Defendants have an association/ relationship/ sponsorship/ affiliation/ authorization or nexus with the Plaintiff on account of the following factors:

- a) The Defendants' use of a mere rearrangement of the Plaintiff's registered trade mark / name **BURGER KING** as its trading style and trade mark.
- b) The Defendants' depiction of the impugned mark/ name **KING BURGERZ** on their restaurant signage in an identical manner as that of the Plaintiff viz. white bold lettering on a red background.
- c) The Defendants' use of the Plaintiff's registered trade mark/ name **BURGER KING** in relation to identical services as those of the Plaintiff i.e. restaurant services.

33. The Defendants' adoption of the impugned mark/ name is clearly motivated with a view to encash the Plaintiff's enormous and unsurpassable goodwill and stellar reputation earned by it in relation to the trade mark **BURGER KING** and to pass off the Defendants' services and business as those of the Plaintiff. This is clearly demonstrated by Defendant No. 1's categorical admission as regards his prior knowledge of the goodwill and reputation associated with the Plaintiff's **BURGER KING** brand and that confusion is bound to arise amongst consumers on account of his depiction of the Plaintiff's said trade mark/ name.

34. The Defendants have adopted a rearrangement of the Plaintiff's **BURGER KING** registered trade mark / name in respect of the identical services in bad faith and several decades subsequent to the Plaintiff's adoption of the **BURGER KING** trade mark/ name in 1954. The adoption of the impugned

mark/ name **KING BURGERZ** by the Defendants is patently dishonest as they are admittedly aware not only of the goodwill and reputation of the Plaintiff's **BURGER KING** trade mark/ name but also of the Plaintiff's use of the **BURGER KING** mark in India as well as abroad. The Defendants' knowledge of the Plaintiff's use of the **BURGER KING** name/ mark is demonstrable from the correspondence exchanged between Defendant No. 1 and the Plaintiff's attorneys in 2012-2013. Moreover the Defendants adopted the impugned mark/ name **KING BURGERZ** at least one year after undertaking to change their impugned trading style to **ROYAL BURGERZ**. Such dishonest adoption itself disentitles the Defendants from using the impugned mark/ name in relation to their restaurant services.

35. The Defendants' adoption and use of the Plaintiff's **BURGER KING** trade mark/ name in any manner including by way of a mere rearrangement and the addition of the letter 'z' is bound to cause dilution of the Plaintiff's trade mark/ name. The adoption and use of the impugned mark **KING BURGERZ** by the Defendants therefore amounts to infringement of the Plaintiff's registered trade mark **BURGER KING** as well as passing off their restaurant services as those of the Plaintiff apart from amounting to breach of the undertaking tendered by Defendant No. 1. The Plaintiff has already sustained significant dilution, diminution, weakening and erosion of the goodwill, reputation and the positive associations linked to its trade mark/ name. The Plaintiff is also suffering loss of distinctiveness, uniqueness and exclusivity attached to the **BURGER KING** trade mark/ name by reducing its capacity to identify and distinguish the business of the Plaintiff as originating from a particular source, regardless of the presence or absence of likelihood of confusion, mistake or deception.

36. Owing to their aforementioned infringing acts, Defendants have made and are continuing to make illegal profits and are causing losses to the Plaintiff. Further, the Defendants' aforesaid infringing acts have caused and are causing undue harm and injury to the reputation and goodwill

to the Plaintiff and its registered trade mark/ name BURGER KING. The Plaintiff estimates that it has already suffered damages to the tune of Rs. 2,00,00,000/-. The Plaintiff reserves its rights to claim further damages after making discovery of better particulars of the Defendants' illegal sales and profits from the adoption and use of impugned mark/ name KING BURGERZ.”

8. In Annexure A of the plaint, the plaintiff has tabulated the trade mark registrations obtained by the plaintiff, particulars whereof are as follows:

<i>Trade Mark</i>	<i>Reg. No.</i>	<i>Class</i>	<i>Date</i>	<i>Goods</i>
<i>BURGER KING</i>	<i>348560</i>	<i>16</i>	<i>April 25, 1979</i>	<i>Paper and paper products included in class 16, printed matter</i>
<i>BURGER KING</i>	<i>348561</i>	<i>29</i>	<i>April 25, 1979</i>	<i>Meat, Fish, Milk and other dairy products, edible oils, fats and pickles.</i>
<i>BURGER KING</i>	<i>348562</i>	<i>30</i>	<i>April 25, 1979</i>	<i>Coffee, tea, cocoa, sugar, coffee substitutes, breads, pastry, ices, mustard, pepper and sauces.</i>

<i>BURGER KING</i>	348563	32	April 25, 1979	<i>Beer, ale and porter, mineral and aerated waters and other non-alcoholic drinks, syrups and other preparations for making beverages</i>
BURGER KING	828558	16	November 20, 1998	<i>Paper goods and printed matter, paper, cardboard and goods made from these materials including BKC's packaging, advertising, promotional items.</i>
BURGER KING	828559	29	November 20, 1998	<i>Meat and processed foods, meat, fish, poultry and game, meat extracts, preserved, dried and cooked fruits and vegetables, jellies, jams, fruit sauces, eggs, milk and milk products, edible oils and fats, including meat, fish, poultry, eggs used in sandwiches.</i>

BURGER KING	828560	30	November 20, 1998	Staple foods, coffees, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee, flour and preparations made from cereals, bread, pastry and confectionery, ices, honey, treacle, yeast, baking powder, salt, mustard, including bkcs sandwich products and coffee and tea drinks.
<i>BURGER KING</i>	828561	32	November 20, 1998	Light beverages, beers, mineral and aerated waters and other non-alcoholic drinks, fruit drinks and fruit juices, syrups and other preparations for making beverages
<i>BURGER KING</i>	1494246	42	October 06, 2006	Restaurant Services

9. The plaint has been signed and verified by Mr. Pankaj Pahuja, the constituted attorney of the plaintiff and is also supported by the affidavit of Mr. Pankaj Pahuja, wherein he has deposed that he is the constituted attorney of the plaintiff and is well-conversant with the facts &

circumstances of the case and has also deposed that the contents of the company and plaint has been provided on his instructions and based on the legal advice received. He states that the contents are true and nothing material and relevant has been concealed therefrom. He has also affirmed that the documents filed along with the plaint are true copies of their originals. Along with the plaint, the plaintiff has placed on record the copies of the registrations obtained by the plaintiff from the Trade Marks Registry in respect of its trade mark. The plaintiff has also filed the original affidavit of Nripendra Kashyap who on instructions of the plaintiff conducted investigation into the activities of the defendant. In his affidavit, he, *inter alia*, states as follows:

3. I affirm that in order to carry out the above investigation, I deputed an operator to visit the Defendants' premises at Methu Colony, Manapakkam Main Road, Near EB Road, Ramapuram, Chennai. I affirm that upon reaching the premises the operator observed the Defendants were operating a restaurant at the premises under the name 'King Burgerz'. A photograph showing the Defendants' restaurant with signage depicting the name 'New King Burgerz' is attached as ANNEXURE-A.

4. I affirm that the operator observed that the premises occupied approximately 20-25 square yards of floor area with around 2-3 employees. The operator there met one Mr. Mani who introduced himself as the manager of the restaurant.

5. I affirm that upon enquiring, the operator was informed by Mr. Mani that they were previously operating the restaurant under the name Royal Burgerz at First Floor, 3/211-3, SRCM, Ashram Road, Manpakkam Road, Chennai – 600125. The operator was further informed that the Defendants had shifted to the present premises around 8 months ago and had changed their restaurant's name to King Burgerz.

6. I affirm that Mr. Mani also informed the operator that the restaurant King Burgerz is owned by one Mr. Shameek. Photographs of the interiors of the Defendants' restaurant and their menu card are annexed, as **Annexure – B** and **Annexure – C** respectively.

10. The photograph of the defendant's premises filed along with the said report at Annexure-A is as follows:



“Your use of the mark KING BURGER which is merely identical to our client’s mark BURGER KING amounts to infringement of our client’s statutory rights in its registered trademarks in India and is also designed to pass off your business activities under the impugned mark as being approved by or connected with our client.

Your adoption and use of the trademark KING BURGER is evidently in bad faith and unlawful. The registrations subsisting in favour of our client on the Trademark Register are deemed to be constructive notice to you of our client’s statutory rights. You have therefore chosen to use the impugned mark with full knowledge of the statutory rights of our client in the registered trademark BURGER KING® and with constructive notice of the priority in international use and reputation of this trademark by our client.

While our client can exercise at any time the option of filing a lawsuit to restrain the wrongful use of the impugned name/trademark by yourselves upon and in relation to goods or services identical to our client’s goods and services, our client nonetheless wishes to attempt to resolve the matter at the outset by fairly putting you on strict notice and requires you to comply with the following demands:

- 1. You shall immediately cease and desist from the use of the trademark/trading style/trade name KING BURGER or any other mark/name deceptively similar to our client’s trademark BURGER KING for restaurants and food/drink items, and in any other manner whatsoever so as to infringe our client’s trademark registrations or pass off your goods and/or business there under.*
- 2. You shall confirm that the discontinuation of the impugned mark by you will be total, including but not limited to packaging, stationery, advertising and promotion material, etc.*
- 3. You shall refrain at all times from using or registering BURGER KING or a mark deceptively similarity thereto as*

part of a firm name, corporate name or domain name.”

13. The defendant responded to the said legal notice and in the said reply, he *inter alia*, stated:

“I do not want to change the name at that time itself, but time elapsed until I receive your notice. But now I would like to inform you that I am restructuring the outlet and going to start the same in another name-very shortly.

Also for your reference I have not imitated your logos at any time, as I do know the complications that would happen when I depict a Huge brand like BURGER KING.

I have attached a logo of my KING BERGER for your reference.

Still I Agree that the Name could be similar to BURGER KING- Which I would change at the earliest also I do not have Special PACKING/STATIONARY/PROMOTIONS.”

14. The photographs of the banners displayed on its restaurant after the change and after adoption of the mark ROYAL BURGERZ have also been placed on record by the plaintiff. The case of the plaintiff, as noticed above, is that the defendant has, however, once again back to using the mark KING BURGER.

15. The mark KING BURGER adopted by the defendant appears to be similar to the plaintiff's registered mark BURGER KING as the defendant has merely changed the order of use of the two words BURGER and KING. The addition of the letter 'Z' at the end of the word BURGER has little impact phonetically. An unwary customer is likely to be deceived and confused and to assume that KING BURGERZ is a mark of the plaintiff, who has been using BURGER KING since 1954 worldwide, and in India

since 2014. The plaintiff being the registered proprietor of the mark BURGER KING is entitled to protection against infringement of the said mark by anyone, who uses any other mark which may be deceptively or confusingly similar to the plaintiff's mark.

16. Accordingly, the plaintiff is entitled to the injunctive reliefs sought in the plaint. The suit is, accordingly, decreed in favour of the plaintiff and against the defendant in terms of prayers (A) and (B) contained in paragraph 40 of the plaint. The parties are left to bear their own respective costs.

VIPIN SANGHI, J

MAY 02, 2016

B.S. Rohella