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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
Date of Decision: 25th September, 2023

+ **C.O. (COMM.IPD-TM) 468/2022**

THEOBROMA FOODS PRIVATE LIMITED Petitioner

Through: Mr. Rajshekhar Rao, Sr. Adv with Mr.
Rahul Vidhani, Adv. (M:
9811545888)

versus

KARAN NARULA AND ORS Respondents

Through: Mr. Kapil Wadhwa, Ms. Surya
Rajappan & Mr. PDV Srikar, Advs.
(M: 9873595315)

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WITH

+ **CS(COMM) 429/2021 and I.A. 11653/2021, 15732/2021**

THEOS FOOD PVT LTD & ORS. Plaintiffs

Through: Mr. Kapil Wadhwa, Ms. Surya
Rajappan & Mr. PDV Srikar, Advs.

versus

THEOBROMA FOODS PVT LTD Defendant

Through: Mr. Rajshekhar Rao, Sr. Adv with Mr.
Rahul Vidhani, Mr. Manoj K. Menda
Advs. with Ms. Kamal Messman(
director of defendant)

CORAM:

JUSTICE PRATHIBA M. SINGH

JUDGMENT

1. This hearing has been done through hybrid mode.

CS(COMM) 429/2021 and I.A. 11653/2021, 15732/2021

2. The dispute in the present case relates to marks, being
“THEOBROMA” and “THEOS” / “THEO'S”, used in respect of bakery



related products, patisseries, confectionery, *etc.* The competing entities are Plaintiff Nos. 1 and 2 being “THEOS FOOD PVT. LTD.” as also “THEOS PATISSERIE & CHOCOLATARIE” (*hereinafter*, “*Theos*”), which are based out of Delhi and Noida, and the Defendant being 'THEOBROMA FOODS PVT. LTD.' (*hereinafter*, “*Theobroma*”), which is based out of Mumbai, Maharashtra.

3. The Court had heard the matter on various dates and vide order dated 29th July, 2022 broadly set out the terms and conditions on the basis of which the parties had agreed to settle their disputes amicably. The said terms and conditions were recorded in the order by the Court.

4. On the said date, the parties had submitted that they wished to file a comprehensive joint application under Order XXIII Rule 3 CPC setting out the settlement terms elaborately. The Court had given two weeks’ time to the parties to file the same.

5. Thereafter, repeatedly adjournments were sought by the parties on the ground that negotiations were underway and there were certain points of disagreement.

6. Today it is submitted by Id. Counsels that the parties have been unable to file the settlement agreement in view of certain areas of disputes that have arisen. However, both parties are agreeable that the suit can itself be decreed in terms of the judgment passed by the Court on 29th July, 2022 subject to clarification of the disputes between the parties by the Court. The areas where there is dispute between the parties are as under:

i. **Use of the mark “THEOS”**

7. It is submitted by Mr. Wadhwa, Id. Counsel that the Defendant has registered the mark “THEO” and, therefore, it should be using the mark



‘THEO’ without the ‘S’. and ought to be restricted from using the mark “THEOS” or “THEO’S”. This is opposed by Mr. Rao, Id. Sr. counsel for the Defendant on the ground that it has been using the mark with the ‘S’ for the last several years.

8. The terms of settlement broadly agreed on 29th July, 2022 by the parties are clear to the effect that “THEOS” and “THEO’S” with the ‘S’, can be used by the Defendant, for five products. Thus, in the opinion of the Court, there is no ambiguity in this term and the Defendant cannot be restricted from using the mark “THEOS”/ “THEO’S”, in view of the settlement already agreed upon. The said agreed term cannot be re-opened.

ii. **Geographical limitation on the use of the Mark**

9. The second area of dispute is in respect of registration of the Plaintiff’s marks only to the restricted territory of “*Delhi-NCR region*” as posited in paragraph 9(v) of the order dated 29th July, 2022. This according to Mr. Wadhwa, Id. Counsel would create difficulties for the Plaintiffs in enforcing their rights in the mark “THEOS”/ “THEO’S” as the Plaintiffs may be unable to file oppositions or seek injunctions against use of the mark in other geographical territories within India.

10. In view of the apprehension raised, it is clarified that the geographical restriction on registration or use of the mark “THEOS”/ “THEO’S” to the Delhi-NCR region would not affect its statutory and common law rights to file oppositions and to take action seeking injunctions against any misuse of identical or similar marks in any territory within India against any third party except the Defendant and/or its authorised permissive users.

11. The trademark registry would note this clarification while deciding oppositions, if any, filed by the Plaintiffs.



iii. **Limitation as to NICE Classification**

12. On the Defendant's retention of the "THEO" mark registrations, the submission of Id. Counsel for the Plaintiff is that the mark "THEO" which is registered in favour of the Defendants should now be restricted to class 30 and should not be permitted to be retained in other classes.

13. It is made clear that the use of the mark "THEOS/THEO'S" by the Defendant shall only be for the five products as mentioned in paragraph 3(iii) of the order dated 29th July, 2022 above irrespective of whatever registrations the Defendant may have obtained.

iv. **QR Menu Card**

14. Mr. Rajshekhar Rao, Id. Senior Counsel seeks modification of paragraph 9(iv) of order dated 29th July, 2022 to the limited extent that usage of the mark "THEO" by the Defendant should be permitted in respect of the five items in both physical and QR menu cards. Mr. Wadhwa submits that the Plaintiff has no objection as long as the use is limited to QR menu cards as used in the physical outlet only and not on food aggregator or food delivery platforms.

15. Accordingly, it is clarified that the Defendant is permitted to use the mark "THEOS/THEO'S" for the five items in both physical and QR menu cards used in the physical outlets of Theobroma.

Final decree:

16. For the sake of brevity the Plaintiffs is referred to as 'Theos' and the Defendant is referred to as 'THEOBROMA'. The parties agreeable for the suit to be decreed as per the already agreed terms recorded on 29th July 2022, read along with the clarifications given today by the Court. The suit is accordingly decreed in the following terms.:



- i. Theos recognises and acknowledges Theobroma as the owner and proprietor of the mark 'THEOBROMA'. Theos has also agreed not to use the mark or name 'THEOBROMA' in any manner whatsoever, either in respect of any products of its manufacture, or sale, or any other services.
- ii. Though, Theobroma had initially objected to the use of the mark 'THEOS'/'THEO'S' by Theos, however, in view of the amicable resolution of disputes, Theobroma no longer objects to the use of the mark 'THEOS'/'THEO'S' in respect of its goods and services, as also, as part of its trading style/name 'Theos Food Pvt. Ltd.' and 'Theos Patisserie & Chocolaterie', so long as Theos restricts its business activities to the Delhi-NCR region.
- iii. Insofar as the use of the mark/name "THEOS"/"THEO'S" in physical menu cards/QR Code menu cards and physical signages in the physical locations, is concerned, Theobroma shall restrict such use of the mark "THEOS"/"THEO'S" only for the names of the following five food items offered by it, along with variants being egg/without egg and sizes i.e., pastry slice, per kg. size thereof:
 1. *Theos Dutch Truffle Cake*
 2. *Theos Chocolate Mousse Cup*
 3. *Theos Mava Cake*
 4. *Theos Dense Loaf*
 5. *Theos Quiche*
- iv. The said usage of the mark, as set out in (iii) above, shall only be in the physical/QR menu cards used at the physical outlets



of Theobroma, and shall not extend to online menu cards of Theobroma.

- v. Theos shall also not make any online sales outside Delhi-NCR region under the mark/name “THEOS”/ “THEO’S”. If it intends to extend its commercial activities outside the Delhi-NCR region, either in physical or in online mode, the same shall be done under a mark/name which is neither identical nor deceptively similar to “THEOBROMA”. Theos, however, is free to use a prefix or a suffix along with “THEOS”/ “THEO’S” for such expansion, so long as the totality of the mark/name which is used for such expansion is not identically or deceptively similar or does not create confusion with “THEOBROMA”.
- vi. Theobroma shall continue to retain all its trademark registrations for “THEOBROMA” and its registered variants and derivatives, including “THEOS” and “THEO”, and shall also be entitled to protect and take all enforcement-related steps and opposition-related actions to safeguard its rights in these names and marks.
- vii. Theos shall be free to register its own mark “THEOS”/ “THEO’S” as a word mark or in any logo form thereof, and use the same only in respect of goods and services offered in the Delhi-NCR region. The applications or registrations of the said marks by Theos shall be geographically restricted to the Delhi-NCR region. , it is clarified that the geographical restriction on registration or use of the mark “THEOS”/



“THEO’S” to the Delhi-NCR region would not affect its statutory and common law rights to file oppositions and to take action seeking injunctions against any misuse of identical or similar marks in any territory within India against any third party except the Defendant and/or its authorised permissive users.

- viii. Neither party shall oppose each other’s marks or object to the same, in any manner, so long as the same are in compliance with the terms of this settlement.
- ix. If Theos receives any requests for online supply or deliveries outside the Delhi-NCR region, the same shall be serviced under a different mark and name, as set out in (v) above. The said mark/name shall not be identical or deceptively similar to ‘THEOBROMA’.
- x. Theobroma is free to expand its outlets under the mark/name ‘THEOBROMA’ across the country. However, Theos shall be restrained to the Delhi-NCR region, insofar as its goods and services provided under the mark/name “THEOS”/ “THEO’S” is concerned.
- xi. There are various disputes pending between the parties before the Registrar of Trademarks, apart from the aforementioned two suits, as also, other cancellation petitions, *etc.* All the disputes between the parties would stand resolved in the above terms.
- xii. Parties have agreed to abide by the terms of settlement which have been dictated by the Court today and set out hereinabove.



17. The suit is decreed in terms of paragraph 16 (i) to (xii) above. Let the decree sheet be draw accordingly.

18. All applications are disposed of.

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19. The cancellation petition is disposed of restricting the Respondents' registrations to the Delhi NCR region as contained in the terms of the decree passed by the Court in *CS(COMM) 429/2021*.

20. All applications are disposed of.

21. Parties shall file the present order before the Registrar of Trade Marks and all pending proceedings between the parties shall be disposed of in terms of the settlement.

**PRATHIBA M. SINGH
JUDGE**

SEPTEMBER 25, 2023

dj/sk